



Daily Report

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Daily Report

China

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CONTENTS

31 May 1990

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

| | |
|---|---|
| Foreign Ministry Holds Weekly News Briefing | 1 |
| Troops in Tibet Denied [AFP] | 1 |
| Xu Dunxin To Visit Thailand, SRV [XINHUA] | 1 |
| U.S.-USSR Summit Viewed [XINHUA] | 1 |
| Syrian Vice President To Visit [XINHUA] | 1 |
| Envoy To Attend ESCAP Session [XINHUA] | 1 |
| Li Peng Considering Future U.S. Visit [Tokyo KYODO] | 2 |
| Commentary Views U.S.-Philippine Talks on Bases [RENMIN RIBAO 26 May] | 2 |
| U.S.-Soviet Summit, Relations Analyzed [XINHUA] | 3 |
| Envoy Attends Mining Seminar in Australia [XINHUA] | 4 |

Soviet Union

| | |
|--|---|
| General Liu Huaqing Leaves for Official Visit [XINHUA] | 4 |
| Party Delegation Led by Pugo Continues Visit | 4 |
| Feted in Shanghai [Shanghai Radio] | 4 |
| Meets Qiao Shi [XINHUA] | 5 |
| He Jingzhi Meets Culture Delegation [XINHUA] | 5 |
| Border Trade Accounts Settled Through Banks [Hong Kong CHING CHI TAO PAO 28 May] | 5 |

Northeast Asia

| | |
|--|---|
| Article Assesses Japan's Military Strength | |
| [Hong Kong LIAOWANG OVERSEAS EDITION 28 May] | 6 |
| Japan's Sokagakakai Delegation Continues Visit | 7 |
| Meets Li Peng [XINHUA] | 7 |
| Meets Jiang Zemin [XINHUA] | 7 |
| Mongolian Friendship Treaty Anniversary Marked | 7 |
| Roundup Views Ties [XINHUA] | 7 |
| Reception Held 29 May [XINHUA] | 8 |
| Mongolian Envoy Hosts Reception [XINHUA] | 8 |
| Hydrological Agreement Signed With DPRK [XINHUA] | 9 |

Southeast Asia & Pacific

| | |
|---|---|
| Prince Sihanouk Arrives in Beijing 30 May [XINHUA] | 9 |
| Paper Views Cambodian Liberated Areas [RENMIN RIBAO 11 May] | 9 |

Near East & South Asia

| | |
|---|----|
| Trade Union President Meets Iraqi Delegation [XINHUA] | 11 |
| Indian Ruling Party Official Views Visit [XINHUA] | 11 |

Sub-Saharan Africa

| | |
|---|----|
| Li Peng Meets Rwandan Parliamentary Leader [XINHUA] | 11 |
| Education Agreement Signed With Zambia [XINHUA] | 11 |
| Seventh Medical Team Leaves Madagascar [XINHUA] | 12 |

Latin America & Caribbean

| | |
|---|----|
| Yang Shangkun Continues Latin American Tour | 12 |
| Economic Relations Viewed [RENMIN RIBAO 11 May] | 12 |
| Meets Uruguayan Reporters [RENMIN RIBAO 26 May] | 13 |
| Meets Overseas Chinese in Argentina [XINHUA] | 14 |
| Signs Memorandum With Chile [XINHUA] | 14 |
| Wu Xueqian Meets Chilean Businessmen [XINHUA] | 14 |
| Chilean President Views Visit [XINHUA] | 15 |
| Trip Termed 'Success' [XINHUA] | 15 |
| Meets Chilean Business Leaders [XINHUA] | 16 |
| Leaves for Home 30 May [XINHUA] | 17 |
| Congratulates New Colombian President [XINHUA] | 17 |

NATIONAL AFFAIRS

Political & Social

| | |
|--|----|
| Deng Xiaoping 'Low-Key' Handling of Xu Jiatus Case [Hong Kong PAI HSING 1 Jun] | 18 |
| Tiananmen Square To Be Closed on 1 Jun [ZHONGGUO TONGXUN SHE] | 19 |
| Jiang Zemin Stresses Science Programs [XINHUA] | 19 |
| Jiang Zemin, Li Peng Emphasize Population Control [CHINA DAILY 30 May] | 20 |
| Li Peng Meets With Participants of Land Seminar [XINHUA] | 20 |
| Yang Shangkun Views High-Ranking PLA Officers [Hong Kong WEN WEI PO 29 May] .. | 20 |
| Li Ruihuan Seen as Threat to Ziang, Li [Hong Kong SOUTH CHINA MORNING POST 31 May] | 21 |
| Li Ruihuan Stresses Preserving Art Relics [XINHUA] | 22 |
| Li Ruihuan Inspects Guangdong 21-25 May [Guangzhou Radio] | 22 |
| Qiao Shi Speaks at Anticorruption Exhibition [XINHUA] | 22 |
| Reportage on Intellectuals' Aid to Dissident | 23 |
| Beijing News Conference Planned [HONGKONG STANDARD 30 May] | 23 |
| News Conference Canceled [AFP] | 23 |
| Letter for Release To Be Issued [Hong Kong SOUTH CHINA MORNING POST 31 May] .. | 24 |
| People Asked To Refrain From 'Provocative Acts' [AFP] | 24 |
| Report Claims 11 Executed in Cleansing Campaign [AFP] | 24 |
| Vice Premier Tian Jiyun Inspects Henan Province [Zhengzhou Radio] | 25 |
| Song Jian Attends Chemical Industry Meeting [XINHUA] | 25 |
| Song Ping Visits Chemical Industry Exhibition [Beijing TV] | 26 |
| Song Ping Sees Young Heroes' Monument Unveiled [XINHUA] | 26 |
| Chen Junsheng Announces Yangtze Valley Project [CHINA DAILY 31 May] | 26 |
| Li Tieying Meets Hong Kong Academic Delegation [XINHUA] | 27 |
| Li Tieying Speaks at Census Meeting 19 May [XINHUA] | 27 |
| State Council Meeting Views Ocean Pollution [Beijing Radio] | 28 |
| Reform of Rural Education Lauded [XINHUA] | 28 |
| Provincial Regions Demand Special Zone Privileges [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 28 May] | 29 |
| Railway Security Organs Crack Down on Crimes [RENMIN RIBAO 20 May] | 30 |
| Forum Discusses Handling Masses' Letters, Visits [XINHUA] | 30 |
| 970,000 Officials Inspect Grass-Roots Units [XINHUA] | 31 |
| Ministry Urges Mass Organizations To Register [XINHUA] | 31 |
| XINHUA Features Information on Nationalities | 31 |
| On Lisu Nationality | 31 |
| On Lhoba Nationality | 32 |
| On Manchu Nationality | 32 |
| Drive for More Foreign University Students Urged [CHINA DAILY 30 May] | 32 |
| QIUSHI No 11 Table of Contents Published [RENMIN RIBAO 30 May] | 33 |

Science & Technology

| | |
|--|----|
| Jiang Zemin, Others Hear Scientists' Views [XINHUA] | 33 |
| Song Ping Visits Chemical Industrial Exhibition [XINHUA] | 35 |

Military

| | |
|---|----|
| Editorial on Ties Between PLA Officers, Men [JIEFANGJUN BAO 17 May] | 35 |
| Army Emphasizes Strengthening Political Work [JIEFANGJUN BAO 3 May] | 37 |

Economic & Agricultural

| | |
|--|----|
| Construction Bank Funds State Key Projects [Beijing Radio] | 38 |
| State Council Approves Foreign Land Use [XINHUA] | 38 |
| Forestry Program To Utilize World Bank Loan [CHINA DAILY 31 May] | 40 |
| 'Source' Says Reform Measures To Be Adopted [Hong Kong CHING CHI TAO PAO 28 May] | 40 |
| Joint Ventures Sought for Nonmetals Project [CHINA DAILY 31 May] | 41 |
| Finance Minister Discusses State Development [XINHUA] | 41 |
| Limitations on Private Enterprises Explained [GUANGMING RIBAO 12 May] | 41 |
| Better Harvest Means Less Food Grain Imports [ZHONGGUO TONGXUN SHE] | 44 |
| State To Purchase More Summer Grain in 1990 [XINHUA] | 44 |

REGIONAL AFFAIRS

East Region

| | |
|---|----|
| Lu Rongjing's Report at Anhui CPC Congress [ANHUI RIBAO 5 Mar] | 46 |
| 1,200 Criminals Arrested in Quanzhou, Fujian [Fuzhou Radio] | 62 |
| Shandong Province CPPCC Meeting Ends 25 May [Shandong Radio] | 62 |
| Shandong Effectively Controls Population Growth [RENMIN RIBAO 28 May] | 62 |

Southwest Region

| | |
|--|----|
| Deng Pufang Inspects Guizhou Province [Guiyang Radio] | 63 |
| Gyaincain Norbu Elected Government Chairman [XINHUA] | 63 |
| Tibet People's Congress Presidium Meets [Lhasa TV] | 63 |
| Leaders at Meeting of Deputies, CPPCC Members [Lhasa TV] | 64 |

North Region

| | |
|---|----|
| 'Thousands' of Overseas Tourists Visit Beijing [XINHUA] | 65 |
| Inner Mongolia Builds Commodity Grain Bases [RENMIN RIBAO 28 May] | 65 |

Northwest Region

| | |
|---|----|
| Xinjiang's Song Hanliang Urges Rural Stability [Urumqi Radio] | 66 |
|---|----|

PRC MEDIA ON TAIWAN AFFAIRS

| | |
|--|----|
| Kuomintang Troops Shoot at Fishing Boats [ZHONGGUO XINWEN SHE] | 67 |
| Deng Yingchao Sends Greetings to General Chang [XINHUA] | 67 |

TAIWAN

| | |
|---|----|
| Reportage on Cabinet Changes, Confirmations | 68 |
| Yuan Confirms Hau's Nomination [CNA] | 68 |
| KMT Endorses New Cabinet 30 May [CNA] | 68 |
| Li Teng-hui on Cabinet Reshuffle [CNA] | 68 |
| KMT Approves Partial Reshuffle [CNA] | 69 |
| New Premier Hau Outlines Cabinet Priorities [CNA] | 69 |
| New Cabinet Members Stress Action Policy [CNA] | 69 |

| | |
|--|----|
| Protests Over Confirmation of Premier Hau [Taipei International] | 70 |
| Activities Planned To Commemorate Tiananmen [CNA] | 70 |
| Ministry Assesses Soviet Trade Potential [CNA] | 70 |
| Banking Connections Improving With Japan [CNA] | 71 |
| BOFT Urges Japan To Cut Trade Surplus [CNA] | 71 |
| East German Journalists To Visit Taiwan [CNA] | 71 |
| Taiwan, Guinea-Bissau Establish Ties [CNA] | 72 |

HONG KONG & MACAO

Hong Kong

| | |
|--|----|
| Guangdong Releases Five Detained Seamen [HONGKONG STANDARD 31 May] | 73 |
|--|----|

Macao

| | |
|--|----|
| Macao XINHUA Branch Welcomes New Director [XINHUA] | 74 |
|--|----|

General

Foreign Ministry Holds Weekly News Briefing

Troops in Tibet Denied

HK3105025090 Hong Kong AFP in English 0232 GMT 31 May 90

[Text] Beijing, May 31 (AFP)—China denied Thursday that it has deployed 60,000 to 75,000 troops along its Tibetan border with India and Nepal, as claimed last week by a senior Nepalese official.

"This report is utterly groundless," a Chinese Foreign Ministry spokesman said by phone.

The Nepalese official, who asked not to be named, told AGENCE FRANCE-PRESSE in Kathmandu on Friday that China had beefed up its troop strength after India proposed posting "armed personnel" on the Nepal-Tibet frontier. The proposal was made in a draft treaty that would govern trade and transit between India and landlocked Nepal, the official said.

Diplomats here believe 150,000 Chinese soldiers are regularly on duty in Tibet, most of them along its border with India, Bhutan, Nepal and Indian-controlled Kashmir.

But they added that China would react bitterly if India stationed any troops in Nepal, which Beijing regards as a strategic buffer against its powerful South Asian neighbor.

The Foreign Ministry also said it could not comment on Nepal's decision to block delivery of a final consignment of Chinese arms ordered before popular unrest forced a shake-up in the government in Kathmandu.

"Arms trade is not the responsibility of the Foreign Ministry," the spokesman said.

"The limited arms trade and delivery between China and Nepal is agreed upon by the relevant departments of China and Nepal," he said.

China was to ship anti-aircraft guns, armored cars and other military supplies to Nepal under a 1988 deal that was frowned upon by India.

Unofficial sources in Kathmandu said the last shipment involved about 300 truckloads, or 10 percent of the total order, which could be delivered overland via a road through the Himalayas between Tibet and Nepal.

Xu Dunxin To Visit Thailand, SRV

OW3105073790 Beijing XINHUA in English 0728 GMT 31 May 90

[Text] Beijing, May 31 (XINHUA)—Chinese Assistant Foreign Minister Xu Dunxin will discuss the Cambodian issue with Thailand in early June and then go to Hanoi as Chinese ambassador's guest.

In response to a reporter's question at the weekly news briefing here this afternoon, a Chinese Foreign Ministry spokeswoman said Xu will be leaving for Bangkok at the beginning of June to hold consultations with the Thai side on the Cambodian issue.

After that, Xu will proceed to Hanoi as guest of the Chinese Ambassador to Vietnam Zhang Dewei, she said, adding that while in Hanoi, Xu will also exchange views with the Vietnamese side on the Cambodian issue.

U.S.-USSR Summit Viewed

OW3105074390 Beijing XINHUA Domestic (Proper) Service in Chinese 0906 GMT 31 May 90

[Text] Beijing, May 31 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China hopes the results of the U.S.- Soviet summit will be truly conducive to the relaxation and stability of the international situation and not detrimental to the interests of any third country.

The spokesman made the remark upon request to comment on the summit meeting between U.S. President George Bush and Soviet President Mikhail Gorbachev, which started today.

Syrian Vice President To Visit

OW3105074290 Beijing XINHUA in English 0719 GMT 31 May 90

[Text] Beijing, May 31 (XINHUA)—Muhammad Zuhayr Mashariga, vice-president of the Syrian Arab Republic and vice-chairman of the National Progressive Front of Syria, and his wife will pay an official goodwill visit to China from 7 to 17 June, at the invitation of Chinese Vice-President Wang Zhen.

This was announced here this afternoon by a spokeswoman of the Chinese Foreign Ministry at the weekly news briefing.

Envoy To Attend ESCAP Session

OW3105075990 Beijing XINHUA in English 0755 GMT 31 May 90

[Text] Beijing, May 31 (XINHUA)—The Chinese Government will send a delegation headed by Vice-Foreign Minister Liu Huaqiu to attend the 46th annual session of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) to be convened in Bangkok from June 4 to 13.

This was announced by a spokeswoman of the Chinese Foreign Ministry here this afternoon.

Li Peng Considering Future U.S. Visit

OW3005163790 Tokyo KYODO in English 1523 GMT
30 May 90

[Text] Beijing, May 30 KYODO—Chinese Premier Li Peng said Wednesday he welcomed the most-favored-nation status accorded recently by the United States and is considering a visit to the U.S. when relations between the two are restored.

Li made the announcement in response to a question posed by Japan's Buddhist leader Daisuke Ikeda during a meeting at the People's Hall.

Ikeda, honorary president of Soka Gakkai, pointed out that the 1979 visit of then Deputy Premier Deng Xiaoping to the U.S. provided the impetus for improved relations between the two nations and asked Li if he would consider such a trip.

Li remarked that relations currently with the U.S. were at a "low level," but added that he was happy with the decision of President George Bush to grant China most-favored-nation status.

"(With this opportunity,) relations must be restored. If that happens, I will consider a visit to the U.S.," Li said.

Regarding the bloody Tiananmen Square crackdown last June 4 that prompted U.S. economic sanctions against China, Li told Ikeda, "we did nothing that we must apologize for and even though we have done nothing bad to the U.S., they have used (unjust) sanctions."

Li indicated that the U.S. sanctions must be removed before relations between China and the U.S. can be restored.

Commentary Views U.S.-Philippine Talks on Bases

HK3105072390 Beijing RENMIN RIBAO in Chinese
26 May 90 p 4

["Commentary" by Wang Rujun (3769 1172 0689):
"Tough U.S.-Philippine Talks on Military Bases"]

[Text] The five-day U.S.-Philippine exploratory talks on the problem of U.S. military bases in the Philippines concluded on 18 May. Judging from the prudently worded news release jointly issued by both sides, the talks have not achieved any breakthroughs in the substantive problems. The Philippine side insisted that the 1947 U.S.-Philippine Agreement on Military Bases be terminated on 16 September 1991, and that there should be no extension; the U.S. side held that the agreement should be terminated on 16 September 1992. As to the most crucial problem of the outstanding fees for use of the bases, both sides failed to find a new way to deal with it; the U.S. side merely said that it is willing to provide extra non-cash aid to the Philippines. Both sides agreed to hold further talks on the problem of the bases.

The problem of military bases has always been the main problem perplexing the relations between the United

States and the Philippines. In recent years, both sides have held many talks on the problem. Although some agreements have been made, with the approaching expiry of the lease of the bases, international opinion has shown constant concern about whether both sides can sign a new agreement on extending the expiry of U.S. military bases in the Philippines.

According to the "U.S.-Philippine Agreement on Military Bases" signed by the United States and the Philippine Government in March 1947, the United States can use the bases in the Philippines for 99 years. In 1966, both sides changed the lease on the bases to 25 years.

Among the U.S. military bases in the Philippines, there is Clark Air Base, and Subic Naval Base, in addition to four other smaller military facilities. Clark Air Base and Subic Naval Base are the two largest U.S. military bases overseas. In these bases, the United States has deployed a huge fleet and a great number of fighter bombers, as well as more than 17,000 soldiers. Because the bases are situated in the vital communication line between the Pacific Ocean and Indian Ocean, their strategic positions are very important. The naval and air force facilities here are the major logistic, supply, and ship-repairing bases for the U.S. Seventh Fleet, and are the hub of transport supporting U.S. military activities in the Indian Ocean. Therefore, to the United States, the strategic significance of the military bases in the Philippines is apparent.

However, in recent years, with the rising national sentiment in the Philippines, the voices demanding the withdrawal of the U.S. Army from the Philippines have become stronger day after day. Furthermore, the United States has cut aid to the Philippines during recent years, and this has no doubt intensified the grievances within the Philippines. In order to be able to use these bases after the lease expires, the United States has, since the later period of the Reagan administration, been negotiating with the Philippines on the problem of the future of the bases. In 1988, after bitter and intense talks between both sides for half a year, the United States Government eventually agreed to increase the rent it pays to the Philippines from \$180 million to \$480 million, and continue talks with the Philippine Government on the problem of the future of the bases. Although the new rent has been greatly increased, it was far from the annual \$1.2 billion demanded by the Philippines Government. Therefore, the Philippine side has never promised anything concerning an extension of the lease. Both sides originally scheduled December 1989 as the dates for continued talks, which were postponed because of the military coup in the Philippines.

In February 1990, U.S. and Philippine officials began talks on the problem of the bases, and in mid-April, Philippine President Mrs. Aquino announced that on 14 May both the U.S. and Philippine sides would begin to "sit down and hold exploratory talks, to discuss the prospects for holding talks on a treaty." Before and during the talks, the United States and the Philippines made difference points. The Philippines held that

according to the agreement reached by both sides in 1988, this year the United States should pay \$222 million of the outstanding fees for using the bases to the Philippines, but the United States insisted that the outstanding fees for using the bases this year should be \$96 million. The Philippine side hoped to clarify this problem during this round of talks. On 15 May, the Philippine Government presented a note to the United States Government, announcing that the 1947 U.S.-Philippine Agreement on Military Bases should be terminated on 16 September 1991, and that there should be no extension. While the U.S. side has spread the news before the meeting, saying that if the Philippines does not want the United States to continue keeping the military bases, then the U.S. forces will withdraw. The envoy sent by the United States President said recently that the future of U.S. military bases in the Philippines depends on the Philippine Government.

It is noteworthy that during this round of exploratory talks, demonstrations and processions against U.S. forces in the Philippines have become constant in the country. Before the talks, on 13 May, two U.S. Air Force personnel were shot, and this indicates that in the Philippines animosity against the United States is very strong.

Although the U.S. side and the Philippine side differ from each other in terms of viewpoint, at present, there are no signs indicating that the United States will give up the two bases. To the United States, the military bases have been operated for several decades, and although their military values have decreased because of a relaxing international situation, they still have important strategic significance. Therefore, the United States will not give up these bases easily; to the Philippines, each year more than \$1 billion must be spent on rent for the bases by the United States, and once the U.S. forces withdraw, it will have great impact on the Philippine economy. Therefore, it is likely that both sides will reach an agreement.

In addition, what is influencing the U.S.-Philippine talks on military bases is the complicated international factor, for example, the development of U.S.-Soviet relations, the U.S. strategic deployment in the Southeast Asia, the relations between the United States and the Southeast Asian countries, and the whole strategic situation in the Asia-Pacific region, etc. According to information, the United States and the Philippines have decided to hold a new round of talks on the problem of the bases in June, in Manila. What sort of agreement will eventually be reached is difficult to predict at this moment.

U.S.-Soviet Summit, Relations Analyzed

OW3105023190 Beijing XINHUA Domestic Service
in Chinese 1256 GMT 5 May 90

["News Analysis" by XINHUA reporter Huai Chengbo:
"U.S.-Soviet Relations Before the Meeting of the Heads
of Government"]

[Text] Washington, 20 May (XINHUA)—Soviet President Gorbachev will pay a state visit to the United States from 30 May through 3 June to meet with President Bush. This will be the second meeting between the two leaders.

Relations between the United States and the Soviet Union have developed somewhat since Bush and Gorbachev met on the Mediterranean Sea in December last year. Progress has been achieved to varying degrees by the two sides in their talks on strategic weapons, conventional forces in Europe, chemical weapons, and the banning of nuclear tests. With respect to bilateral cooperation, both sides have reached an accord after four rounds of talks. Because of U.S. endorsement, GATT has accepted the Soviet Union as an observer. During the forthcoming meeting, Bush and Gorbachev will sign some accords relevant to disarmament and bilateral relations.

Nevertheless, commentators maintain that the results of the meeting will be limited. Certain specific issues have to be resolved in the talks on cutting strategic weapons. It is estimated that, during their talks, the two presidents will only reach a principled accord on reducing strategic weapons, but will not formally sign a treaty. With regard to issues concerning a bilateral trade agreement and the most-favored-nation [MFN] status, U.S. Secretary of State Baker recently indicated that these issues cannot be resolved for the time being because the "Free Immigration Law" has yet to be passed by the Supreme Soviet of the Soviet Union.

Following their Mediterranean meeting last year, U.S. and Soviet leaders have time and again declared that the "cold war" period has ended and the world is ushering in a "new age." However, facts show that, because the United States and the Soviet Union have different security interests and strategic goals, their basic stance as adversaries remains unchanged. This is the basic reason why relations between the two countries are marked by improvements and setbacks as well as many other problems.

Since the U.S. and Soviet heads of government met in the Mediterranean, certain new issues have affected U.S.-Soviet relations. One of these is the declaration of "independence" by the Soviet Republic of Lithuania. While the Soviet Union insists that this is its internal affair, the United States has taken the opportunity to exercise pressure on the Soviet Union. The U.S. Congress has even passed a resolution demanding that the Lithuanian issue be tied to the Soviet Union's MFN status. Although the Bush administration does not want to see U.S.-Soviet relations affected by the Lithuanian issue, due to various considerations it is unlikely to retreat from the stand supporting the "self-determination" of Lithuania. Thus, the Lithuanian issue has cast a shadow on U.S.-Soviet relations.

The pace of reunification of the two Germanys has quickened since early this year. The military and political roles of a reunified Germany and the security of Europe in the future have become a new focal point of U.S.-Soviet disputes. While the United States maintains that Germany, after its reunification, should become a NATO member, the Soviet Union opposes the idea. Since both sides refuse to concede on this issue, the Soviet Union indicates that it will reassess the size of conventional forces it will withdraw from Central Europe and the speed of the withdrawal, and the United States accuses the Soviet Union of dragging its feet. In a statement he made on 28 May, Bush admitted that the "enormous differences" between the United States and the Soviet Union on issues relevant to German reunification and Lithuania will have an impact on the atmosphere of the meeting.

The quest of the United States and the Soviet Union for detente is replete with contradictions and struggles, showing the complexity of the two countries' relations and the limitations of detente. While the two heads of government may do away with some differences or reach some tacit agreements during the meeting, the basic pattern of the two countries' relations marked by compromising cooperation and rivalry will continue.

Envoy Attends Mining Seminar in Australia

*OW3005134390 Beijing XINHUA in English
1154 GMT 30 May 90*

[Text] Canberra, May 30 (XINHUA)—Senior government officials from 13 Asian-Pacific countries including China held a three-day seminar beginning on May 28 in Perth, west Australia, to discuss development of metal production in the region.

It was agreed at the seminar that in view of the huge consumption potential, continued good prospects for economic growth and the existence of immense resources yet to be exploited, minerals and metals production and processing will play an important role in the future development of the region, according to a report reaching here this afternoon.

It was also agreed that governments should develop specific policies for the minerals and metals sector and that they should continually review those policies to ensure the maximum benefit from the minerals sector in terms of economic development. The three-day seminar was arranged by the United Nations Conference on Trade and Development and the United Nations Economic and Social Commission for Asia and the Pacific with the support of the Australian Mining Industry Council and the Department of Primary Industries and Energy.

Representatives from the Asian Development Bank also attended the seminar.

Soviet Union

General Liu Huaqing Leaves for Official Visit

*OW3105080990 Beijing XINHUA in English
0802 GMT 31 May 90*

[Text] Beijing, May 31 (XINHUA)—General Liu Huaqing, vice-chairman of the Central Military Commission of China, and his party left here this afternoon by air for the Soviet Union on an official visit, at the invitation of the Soviet Government.

Seeing Liu and his party off at the airport were: General Qin Jiwei, state councilor and minister of national defense; Song Jian, state councilor and minister in charge of the State Science and Technology Commission; General Chi Haotian, chief of General Staff of Chinese People's Liberation Army; and Soviet Ambassador to China O.A. Troyanovskiy.

Party Delegation Led by Pugo Continues Visit

Feted in Shanghai

*OW3005204490 Shanghai City Service in Mandarin
2200 GMT 27 May 90*

[From the "Morning News" program]

[Text] Ni Hongfu, deputy secretary of the Shanghai Municipal CPC Committee, met with and feted members of a delegation of the CPSU Central Committee headed by B.K. Pugo, candidate member of the Political Bureau of the CPSU Central Committee and chairman of the Party Control Committee, at Xijiao Guesthouse on the evening of 27 May.

On behalf of the municipal party committee and the people of Shanghai, Comrade Ni Hongfu expressed a warm welcome to the visiting delegation of the CPSU Central Committee headed by Comrade Pugo and briefed them on the major tasks which the Shanghai Municipal CPC Committee must carry out this year and Shanghai's economic development.

Pugo introduced the Soviet Union's political and economic policies and social development in the past few years.

Li Shuzheng, deputy head of the International Liaison Department who accompanied the delegation of the CPSU Central Committee to Shanghai; Zhang Dinghong, member of the Standing Committee of the Shanghai Municipal CPC Committee and secretary of the Municipal Commission for Discipline Inspection; and Soviet Consul General in Shanghai (Strok) were present at the meeting and the banquet.

Meets Qiao Shi

OW3005140690 Beijing XINHUA Domestic Service
in Chinese 1238 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—Qiao Shi, member of the Standing Committee of the Chinese Communist Party (CPC) Central Committee, met a delegation from the Central Committee of the Communist Party of the Soviet Union (CPSU) at the Great Hall of the People this afternoon.

The delegation, led by B.K. Pugo, alternate member of the Political Bureau of the CPSU's Central Committee and chairman of the Control Commission of the CPSU Central Committee, is on a visit to China.

Qiao Shi said he is satisfied with the development of relations between the CPC and the CPSU and between China and the Soviet Union in recent years.

He said the delegation's visit helps its members get to know the situation in China and will also enhance the links between the supervision organs of the CPC and the CPSU as well as the friendship and the unity of the two parties and the two countries.

Qiao Shi briefed the Soviet guests on China's political and economic situation. He said China will promote its reforms and opening to the outside world in a stable situation.

He said that for the sake of smooth development of the reforms and opening to the outside world, China does not favor turmoil.

Nothing can be achieved with turmoil, he added.

As China has a large population and a vast territory, turmoil in China would affect the stability of Asia and the world, he said.

He said each measure for China's reforms is studied and tested time and again for China has to avoid the tendency of being hasty for success in restructuring its systems.

He said China is concerned about the situation in the Soviet Union.

Qiao Shi said he hopes the Soviet Union will solve its problems and advance along the socialist road.

He expressed hope that the relations between the CPC and the CPSU as well as between China and the Soviet Union will continue to grow on the basis of the four principles governing party relations and the Five Principles of Peaceful Coexistence.

Pugo conveyed regards from leaders of the CPSU Central Committee to leaders of the CPC Central Committee.

He said that since the Sino-Soviet summit held last year, relations between the CPSU and CPC have witnessed great changes.

Normal exchanges between the two parties and two countries are beneficial to the CPC and CPSU, China and the Soviet Union and the people of the two countries, Pugo said.

He spoke highly of Chinese Premier Li Peng's recent visit to the Soviet Union.

As he briefed Qiao Shi on the Soviet domestic situation, Pugo stressed his country will stick to the choice of the October Revolution.

Pugo said: Right now, the Soviet Union needs to strengthen unity within the party. The party's supervisory role has been greatly strengthened within the party. He expressed a desire for an exchange of experiences in supervisory work between the two parties.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee; deputy head Li Shuzheng of the International Liaison Department under the CPC Central Committee; and Soviet Ambassador to China O.A. Troyanovskiy were present at the meeting.

He Jingzhi Meets Culture Delegation

OW3005161190 Beijing XINHUA in English
1429 GMT 30 May 90

[Text] Beijing May 30 (XINHUA)—Chinese acting Minister of Culture He Jingzhi met a delegation of Soviet Fund of Culture here this afternoon.

The Soviet guests who arrived in China on May 19 have visited Beijing, Harbin and Shanghai at the invitation of the China Federation of Literary and art circles.

Border Trade Accounts Settled Through Banks

HK3105034590 Hong Kong CHING CHI TAO PAO
in Chinese No 21, 28 May 90, p 16

["Informed Sources" column article by Lu You (0712 1429) filed on 24 May: "Accounts To Be Settled Through Banks in Sino-Soviet Border Trade"]

[Text] It was decided by the Sino-Soviet Border Trade Consultation Council that beginning this year, accounts in Sino-Soviet border trade are to be settled through the banks.

The account settlement through the banks will bring many advantages to the border trade: First, this can prevent accounting confusion and disputes between the trade partners on both sides. Second, this can prompt the buyer to pick up the goods at the earliest time, thus preventing the economic losses caused by the stockpile of goods in the warehouses and railway stations. Third, this enables both sides to monitor the state of contract fulfillment at any time, thus prompting both importer and exporter to fulfill their trade contracts. Fourth, the banks can help enterprises collect the credit from their trade partners on the other side, thus reducing the cases of buck-passing and arrears. Fifth as the banks calculate

interest, this can control the trade surplus to a certain degree and can help both sides keep the trade balance.

Recently, the banks concerned on both the Chinese and Soviet sides have begun the preparatory work in arranging the banking procedures. The banking business in this field will begin as soon as the conditions are ripe.

Northeast Asia

Article Assesses Japan's Military Strength

HK3005121690 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 22, 28 May 90 pp 25-26

[Article by Yu Yiguo (0205 1355 0948): "Japan Constantly Increases Its Military Strength"]

[Text] On 10 May, the Japanese House of Representatives passed the 1990 annual budget with a majority vote by representatives mostly from the Liberal Democratic Party, which is in power. Annual military spending accounts for 4,160 billion yen (equal to approximately \$29.7 billion) in the budget. This is the first time Japanese military spending has broken through the 4,000 billion yen mark, up 6.1 percent on the previous year. Japanese military spending comes only after the United States and the USSR, ranking third in the world. Such a condition has increasingly aroused concern and anxiety in the Asia-Pacific region and the world.

It was reported that currently Japan's ground Self Defense Force [SDF] boasts 180,000 men, some 1,000 tanks, and 300 guided missile launchers of various descriptions; its maritime SDF boasts 47,000 men, 165 warships with a total tonnage of 265,000 tons, and 158 aircraft; and its air SDF boasts 45,000 men, 350 fighters, and 180 surface-to-air guided missile launchers. We must point out here that the most important aspect of Japan beefing up its military strength lies in the fact that since Japan rallied its post-war military forces, it has always attached importance to the quality of its SDF with the focus on improving the quality of the personnel and the level of modern weaponry and equipment. Cadres account for 240,000 out of the 270,000 men in its SDF. They have been well trained and equipped. Should war break out, the Japanese Army can rapidly expand on a wide scale with these cadres as the backbone. Japan's Navy now ranks seventh in size in the world and its level of comprehensive training, which found expression in its "Round-Pacific Military Exercise" (namely, combat effectiveness), won the admiration of U.S. naval officers. Japan's anti-submarine capability now ranks second in the world. The density of aircraft and surface-to-air guided missiles in Japan's Air SDF also ranks second in the world in terms of air defense unit area [an fang kong dan wei mianji ji suan 2174 7089 4500 0830 0143 7240 4480 6060 4615].

According to the American CHICAGO TRIBUNE, the Japanese Army's equipment is better than any other country in the world with the exception of the two

superpowers. It boasts F-15 fighters equipped with the most up to date avionics, destroyers equipped with "Zeus Shield" air defense systems, T-24 tanks, and a voluminous series of air defense and surface to surface guided missiles. The weaponry and equipment maintenance rate in the Japanese Army is very high with 50 tanks, seven to 10 warships, 30 to 60 fighters, and one-seventh of surface to air guided missiles being maintained on an annual basis.

When Japan published its "Defense White Paper," the first of its kind, in 1970, it pronounced: "Japan builds its army with the sole purport of defense." In November 1976, the Japanese cabinet determined that "self-defense spending should not exceed one percent of the gross national product." In actual fact however, Japan has readjusted its strategic thinking since the beginning of the 1980s and changed from being defensive to defensive and offensive, and from single to collective defense, accumulating in a manner which escaped people's awareness of the change.

Its 1981 "Defense White Paper" proposed for the first time the so-called forward position defense strategy and advocated that "if any enemy should attack Japan," it would fight a "war in medium-range and distant seas" to "exterminate the enemy at sea" and "to minimize the consequences of war on Japan's territory." In the same year, Japanese Prime Minister Suzuki Zenko announced for the first time that the object of Japan's maritime "defense" were the waters to a range of several hundred nautical miles surrounding Japan's territory," and "the area surrounding the 1,000 nautical mile sea route [yigian hai li hang lu dai 0001 0578 3189 6849 5300 6424 1601]." The Japanese leaders have, to date, stressed that "Japan, as an important member of the West, should maintain a powerful defense force."

To carry out the adjusted strategic thinking and "defense" targets, from 1981 onward, the Japanese Army and Navy started reorganizing troops according to the requirements of combat effectiveness. The Navy, in particular, has built the so-called "Eight Eight Fleet" to improve its oceangoing anti-submarine escort capability. Beginning in 1986, the Japanese Navy has participated in the annual U.S.-led "Round-Pacific Joint Military Exercise" to gain combat experience. For the above reasons, Japan has furnished its Army with a range of advanced hi-tech weapons. From 1987, for three years in a row, Japan's defense budget has broken the 1 percent GNP ceiling. Recently, Japan formulated the defense power equipment plan for the period 1991-1995, with a total investment of 2,300 billion yen (approximately \$153.3 billion) and focusing on improving equipment quality, importing advanced weapon systems, and setting up a new intelligence headquarters to improve intelligence gathering and communications systems. Implementation of the plan will further expand Japan's military power.

International opinion generally considers that the aim of Japan's continual strengthening of its military power is,

first, to safeguard its rapidly growing worldwide overseas economic interests; and second, from a long-range perspective, to provide a deterrent backup for its state goal of upgrading from an economic power to a political one. As pointed out by Dr. Kissinger of the United States: "By the end of this century great change will occur in the pattern of international relations and Japan will become an important military power."

The development and change in Japan's defense policy and power are bound to draw international and domestic responses and discussion. An opinion poll by the Japanese prime minister's office showed 77 percent of citizens polled were against or disagreed with continuing to increase defense budgets. The Socialist Party of Japan proposed in January that, starting 1 April 1990, the defense budget be frozen for three years, by parliamentary act, at the 1989 level. The party considers that given its high economic growth rate and huge GNP, even if Japan's defense budget is less than one percent of its GNP, the total amount will be considerable.

An article in ASIaweek says that growing Japanese military power has deeply upset its neighbors. Neighboring Asian countries and regions once trampled on by Japan are worried about the revival of Japan's militarism. At present, Japan's economic activities spread around the world and people worry that such a situation may put the whole world under threat from Japan's military. Director-general of the Japanese Defense Agency, Ishikawa, recently visited Australia, Thailand, and Malaysia. He assured these countries that "Japan will not become a great military power." But Japanese media opinion generally believes that he "has not entirely achieved his goal." That "in exchanging opinions it was obvious that Asian countries were worried that Japan would become a military power." Malaysian Defense Minister Rithauddeen pointed out to Ishikawa: "Japan has the capital and technology to easily become a great military power."

Japan's Sokagakkai Delegation Continues Visit

Meets Li Peng

OW3005185690 Beijing XINHUA Domestic Service in Chinese 1434 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—Chinese Premier Li Peng met a 300-member delegation from Sokagakkai of Japan and had a group photo taken with them at the Great Hall of the People this afternoon.

On behalf of the Chinese Government and people, Li Peng expressed his warm welcome to the delegation led by Ikeda Daiku, honorary president of the Sokagakkai Society of Japan.

Li Peng said, "China and Japan are close neighbors separated only by a strip of water. The friendship between China and Japan and their friendship from

generation to generation coincide with the interests of the Chinese and Japanese people and benefit peace in Asia and the world.

Li spoke highly of the efforts by Ikeda and the members of Sokagakkai to develop Sino-Japanese friendship and expressed thanks for their contributions.

After the meeting, Li Peng had cordial conversations with the leading members of the delegation. He congratulated Ikeda on his photo show held in Beijing.

Talking about the Asian Games to be held in Beijing in September this year, Li Peng said, "China is actively making preparations for this Asian Games. We hope the Asian Games will promote the unity, cooperation and friendship of all the people of the Asian countries; it will certainly inspire the enthusiasm of the Chinese people. It is believed that this Asian Games would definitely be a success."

Li also answered Ikeda's questions about China's domestic affairs and its foreign relations in detail.

Meets Jiang Zemin

OW3105115690 Beijing XINHUA in English 1135 GMT 31 May 90

[Text] Beijing, May 31 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party, met Ikeda Daiku, honorary president of the Sokagakkai Society of Japan, and his party at the Great Hall of the People this afternoon.

Jiang had a cordial and free conversation with the Japanese guests.

Jiang answered Ikeda's questions on China's domestic situation, expectations of the party and the government for the Chinese youth as well as the situation in Korean peninsula.

Before the meeting, Jiang went to the Nationalities Palace of Culture to see "Ikeda Daiku's photo show" accompanied by Ikeda.

Present at the meeting were Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, and Sun Pinghua, president of the China-Japan Friendship Association.

Mongolian Friendship Treaty Anniversary Marked

Roundup Views Ties

OW3105022690 Beijing XINHUA Domestic Service in Chinese 0735 GMT 30 May 90

["Roundup" by XINHUA reporter Wang Yimin (3769 5030 3046): "Sino-Mongolian Good-Neighborly Relations Develop Consistently"]

[Text] Beijing, 30 May (XINHUA)—Thirty years ago today, the P.R.C and the Mongolian People's Republic

signed a friendship and mutual assistance treaty. Reviewing the course of bilateral relations over the past 30 years, development remains the main trend in spite of some setbacks.

China and Mongolia are two neighbors joined by common mountains and rivers. The two nations share a 4,600-km common border and there is traditional profound friendship between the people of the two nations. In the years of revolutionary wars, as well as the period of socialist construction, people of the two nations have helped and supported each other.

To the delight of the people of the two nations, relations between China and Mongolia were gradually restored, improved, and developed as the two nations entered the 1980's. As an important hallmark of this heartening change, the number of delegations exchanged has other increased and the level of officials involved become higher with each passing year. Many problems between the two nations have been solved. In 1984, the two nations successfully completed a joint inspection of the common border. In 1986, the two sides signed a long-term trade agreement and a consular treaty, and Mongolia resumed Ulaanbaatar - Beijing air service. In 1989, the two sides signed a number of agreements, including one for establishing the Sino-Mongolian Committee for Economic, Trade, Scientific, and Technological Cooperation.

Since last year, new progress has been made in bilateral relations. The two sides have exchanged visits of foreign ministers, signed three agreements—including one establishing the Sino-Mongolian Committee for Economic, Trade, Scientific, and Technological Cooperation—and a judicial assistance agreement. Heads of the central liaison departments of the two parties exchanged visits and party-to-party relations were officially restored. All this has contributed greatly to the development of bilateral relations. During the past year, exchanges between Mongolia and its close neighbor, the Inner Mongolian Autonomous Region of China, have increased markedly. At the invitation of the Mongolian Government, Bu He, chairman of the Inner Mongolian Autonomous Regional Government, visited Mongolia. Inner Mongolia also sponsored a commodity exhibition in Ulaanbaatar. Trade between the governments of the two nations has developed steadily, especially border trade.

It should be especially pointed out that as friendly cooperation between the two nations has been developing, Ochirbat, chairman of the Presidium of the People's Great Hural, made an official friendly visit to China. This visit has elevated bilateral relations to a new stage. As President Yang Shangkun told Ochirbat, the visit was a "great success" which marks "a new starting point for relations between the two countries and the two parties." Ochirbat said that during his first visit to China "everything went smoothly." Facts show that the China-Mongolia summit has opened up bright prospects for further expanding and developing relations between the

two nations. In the future, China and Mongolia will, as always, develop good-neighborly relations in line with the China-Mongolia Friendship and Mutual Assistance Treaty signed 30 years ago.

Reception Held 29 May

OW3005115790 Beijing XINHUA Domestic Service in Chinese 1518 GMT 29 May 90

[Text] Ulaanbaatar, 29 May (XINHUA)—The Executive Committee of the Federation of Mongolian Peace and Friendship Organizations and the Mongolian-Chinese Friendship Association sponsored a reception at Dawn [Shu Guang] Restaurant in the Youth Friendship Park this evening to mark the 30th anniversary of the signing of the Mongolian-Chinese Friendship and Mutual Assistance Treaty.

Bilegt, vice president of the Executive Committee of the federation, and Zhang Delian, Chinese ambassador to Mongolia, spoke at the reception. They unanimously pointed out that the Mongolian-Chinese Friendship and Mutual Assistance Treaty not only accords with the fundamental interests of the Chinese and Mongolian people, but is also conducive to world peace and security. They expressed the wish that Sino-Mongolian relations will be further consolidated and developed on the basis of this treaty.

Lubsangombo, deputy chairman of the Council of Ministers; Baljinnyam, minister of culture; and other Mongolian officials were present at the reception.

Prior to the reception, relevant departments of Mongolia also held Chinese film receptions, banquets, and get-togethers to mark the 30th anniversary of the friendship treaty.

Mongolian Envoy Hosts Reception

OW3005121890 Beijing XINHUA in English 1131 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—The Mongolian Ambassador to China Y. Ochir held a reception at the embassy here today marking the 30th anniversary of the signing of the Mongolia-China Treaty of Friendship and Mutual Assistance.

Ochir said at the reception that according to the spirit of the treaty, the friendly and cooperative relations between Mongolia and China have been expanded and developed in the fields of politics, economy, trade, culture, science and technology.

He expressed the belief that the bilateral friendly relations and the cooperation of equality and mutual benefit are in accordance with the basic interest of both peoples and conducive to the consolidation of peace and security in Asia and the world as a whole.

Chinese Foreign Minister Qian Qichen said at the reception that the Sino-Mongolian Treaty of Friendship and

Mutual Assistance signed thirty years ago is an important document in the history of Sino-Mongolian relations, adding that it is of far-reaching significance to the development of the Sino-Mongolian good-neighborly and friendly relations.

He said that in the past few years the bilateral contacts in the political, economic, scientific and technological and cultural fields have been expanded and strengthened under mutual efforts, adding that if the two sides continue to abide by the spirit of the treaty, the bilateral good-neighborly and friendly relations will surely enjoy further development.

Hydrological Agreement Signed With DPRK

*OW2905192190 Beijing XINHUA Domestic Service
in Chinese 0447 GMT 25 May 90*

[Text] Pyongyang, 25 May (XINHUA)—The PRC Ministry of Water Resources and the DPRK Meteorological and Hydrological Bureau signed a cooperation agreement on hydrological work in the Yalu and Tumen Rivers in Pyongyang this afternoon.

This agreement stipulates that both China and Korea will fully exploit the water resources of the Yalu and Tumen rivers, the boundary rivers between the two countries, and make joint efforts to prevent floods and strengthen cooperation in hydrological work.

Niu Maosheng, vice minister of water resources and head of the delegation from the Chinese ministry, and Yi Kon-il, director of the Korean Meteorological and Hydrological Bureau, signed the agreement for their respective countries.

Southeast Asia & Pacific

Prince Sihanouk Arrives in Beijing 30 May

*OW3005143190 Beijing XINHUA in English
1417 GMT 30 May 90*

[Text] Beijing, May 30 (XINHUA)—President of Cambodia Prince Norodom Sihanouk and his wife arrived here by air from Bangkok this evening.

Greeting them at the airport were Xu Dunxin, Chinese assistant foreign minister, as well as Cambodian and Thai diplomatic envoys to China.

Paper Views Cambodian Liberated Areas

*HK3005153090 Beijing RENMIN RIBAO in Chinese
11 May 90 p 4*

["Newsletter" from RENMIN RIBAO reporter group: "Happily Ushering in a New Life in the Liberated Areas—What Is Seen and Heard in Cambodia, (Part Five)"]

[Text] At present, there are large stretches of liberated areas in Cambodia. Prince Norodom Rannarith, commander-in-chief of the Sihanoukist National Army, told us: "At present, the liberated areas occupy at least one-fourth of the total area of Cambodia. Battambang Province, Odder Meanchey Province, Siem Reap Province, and Preah Vihear Province have almost all been liberated and the enemy can only operate in some cities and main roads." We travelled from south to north, reaching almost all the liberated areas along the border between Thailand and Cambodia, and were very much impressed by the following observation: The masses of people are happily ushering in a new life.

Northwest Cambodia is a liberated border region with a comparatively concentrated population and there you will find old liberated areas, new liberated areas, areas jointly managed by the three sides of the resistance forces, and areas managed solely by one side of the resistance forces. All these areas show a prosperous face.

The vast stretch of liberated rural area north of Sisophon is fertile land with smooth terrain, where almost every village has a reservoir. It has always been a good place for growing paddy rice.

De Village is situated east of No. 69 Highway and has an elected committee of villagers. There is a village head and four committee members, who are responsible for managing the lives and production of several hundred households in the village. The village head, aged 35, took office on 20 January 1990 and we asked him: "What do you do for a living?"

"We grow paddy rice and economic crops," said the village head, "my family has cultivated three hectares of land and this year we produced more than seven tons of rice; the 11 people in the family have enough to eat and there is surplus grain."

"How are the masses in the village?"

No sooner had the village head prepared to answer, than the 20-30 villagers, who had gathered round these reporters, began to talk. An old man whose name was Dalei burst out: "I have lived in this village all my life and now I have many children and grandchildren. I have seen many things and still it is this year which is quite good, because we have a bumper harvest of paddy rice and my family have 2.5 tons." An old woman whose name was Mao continued: "Cambodia has suffered many disasters, but we have paddy fields here and many fruit trees. After the Vietnamese invasion army was driven out, we began to have surplus grain and live a good life." We travelled through many villages in the liberated areas and saw threshing grounds with busily working men and women, old and young. The heaps of straw resembled small hills and gunnysacks full of rice were packed neatly by the doorways. In some cases, more than 30-40 gunnysacks and this was surplus grain waiting to be carried away by trucks.

The people in the liberated areas have also engaged in various kinds of agricultural and sideline production, such as growing watermelons, raising poultry, weaving baskets, fishing, and handicrafts, etc. We came across an old peasant called Dapeng by the East Village reservoir. He was sitting leisurely beneath a tree while herding his cows. He pointed at the land in front of us and said: "The quality of soil here is quite good and whatever is planted will grow. In particular, watermelons become very big and sweet. This year, our village has a bumper harvest of watermelon. There are so many and the price is very cheap, you only pay 30 riel (about 0.5 yuan) for one." After selling their agricultural and sideline products the villagers can buy some daily necessities, such as salt, soap, and kerosene etc.

Behind the bustling scene of today's liberated areas in which one finds the Cambodians, is their past sorrows and difficulties. The Vietnamese Army and the puppet Cambodian Army destroyed the vast rural areas in Cambodia, causing a huge number of people to flee their land. The land lay idle and houses were burned down. However, the wounds of war failed to scare the heroic people in the liberated areas.

On both sides of No. 69 Highway, plains stretched out to the horizon, decorated here and there with rice fields. It was a magnificent scene. Our guide pointed at a nearby rice field and said: "The enemy has laid mines in there, not only on the ridge but also in the rice field, therefore the people dare not to go there to harvest the rice. You see the golden rice drop on the ground. What a waste, and what an outrage!" However, the people in the liberated areas are those with innovative capacity. They tried every method to gather in the rice, for the sake of supporting the front, and one of the methods was "mine clearance by indigenous means." First of all, they chose a long stone which could be rolled. They tied a rope to the stone, then put the stone in the rice field and pulled it like plowing the field. When the stone ran over a mine, the mine exploded with a big "bang" and one mine was cleared. After rolling the stone in the field several times, and when all the mines were cleared, the villagers carefully entered the field to harvest the rice. Our driver explained to us: "The rice field we just passed has not been harvested because it must wait for the villagers to clear the mines."

The liberated areas are still under constant harassment from the Vietnamese Army. The first day we arrived at De Village for interviews, we saw the enemy's shells falling close to the village. When we arrived there it was already noon. We met four young women carrying rifles who were returning from patrol in the fields. The head of De Village told us: "These women carrying guns are the security militia in the village. In the whole village we have quite a number of militia and weapons we seized from the enemy. In the past, the enemy would come to our village from time to time; when they entered the village, they would grab chickens and ducks and, when

their wishes were satisfied, they would beat people, or even shoot them. Therefore, we have to protect the liberated areas."

The war of invasion of Cambodia by Vietnam has created a great number of Cambodian refugees who were forced to flee their country and wandered into Thailand. Thailand has provided much help to the Cambodian refugees. However, several hundred thousand refugees still face many difficulties in life and now the liberated areas have expanded and become lively, attracting residents from outside the areas.

When we were conducting interviews in Oddor Meanchey Province, we saw trucks in convoy along the road. These trucks carried the pioneers from other areas who have come to inspect the geographical environment and living conditions. They would return to make reports to residents to choose a site for settlement. The people who had chosen a site for settlement have started "settling households" in the liberated areas. A responsible person from a settlement, whose name was An, said: The 30,000 people in the eastern tip of Phnom Dang Raek plan to establish settlements in the areas of Anlong Veng (a major city in Oddor Meanchey Province, liberated on 22 December 1989). Their first plan was to build small houses for the pioneers who would then build a number of houses there, then they would migrate step by step. He said: "After living outside the country for many years, the masses of people wanted very much to return to live in their own country, to explore barren land and cultivate fields, and to increase production and solve the problems of daily life. At the same time, they can support the resistance forces in fighting against the Vietnamese aggressors."

The resistance forces have also closely coordinated with the residents who settled in the areas. On the one hand, fighting a hard battle against the enemy and advancing toward the interior to ensure the basic safety of the liberated areas. On the other hand, creating conditions for residents living outside the areas to move to the areas, such as providing transport, digging wells, clearing mines, etc. In Anlong Veng, a senior commander of the resistance forces has for several months been going to the mountains to look for fountains. He has also been running down the hills to inspect the landscape, pondering where to dig wells, and how to direct drainage and build reservoirs, to let the brothers and sisters outside the areas return for a better life and production, and to create a good future. However, he said as if he had something on his mind: "The migration of residents to the areas is a complicated task; it involves various aspects and it needs time and conditions."

Near East & South Asia

Trade Union President Meets Iraqi Delegation

OW3005093190 Beijing XINHUA in English
0731 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—President of the All-China Federation of Trade Unions Ni Zhifu here this morning met with a delegation from the General Federation of Trade Unions of Iraq led by its Vice-President Jamil Salman Ahmad.

The delegation, which arrived here last Wednesday, have visited joint ventures and rural enterprises and other units in Dalian and Shenyang in northeast China.

Indian Ruling Party Official Views Visit

OW3005141490 Beijing XINHUA in English
1332 GMT 30 May 90

[Text] New Delhi, May 30 (XINHUA)—The improving relations between India and China are not only benefiting both countries but also have good impacts on the rest of the world, senior leader of Indian ruling party Janata Dal (People's Party) Ramakrishna Hegde told XINHUA today.

Ramakrishna Hegde, who is also vice chairman of India's Planning Committee (Prime Minister V.P. Singh is the chairman of the committee), is going to lead a Janata Dal delegation to visit China tomorrow at the invitation of the Chinese Communist Party.

Hegde said, he is looking forward very keenly to the visit. "China is a great country. There is a lot to study and learn from the experiments carried out by Chinese people and government. Particularly the progress in agriculture and a certain sectors of industry are remarkable," he said.

He said China and India have been countries with great past and heritages. "I am taking with me the greetings and best wishes of the Indian people to the people of China."

Sub-Saharan Africa

Li Peng Meets Rwandan Parliamentary Leader

OW3005133690 Beijing XINHUA in English
1211 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—Chinese Premier Li Peng met a delegation of the National Development Council of Rwanda led by its President Sindikubwabo Theodoer here this afternoon in the Great Hall of the People.

Extending a warm welcome to Theodoer, Li said although China and Rwanda are far from each other, bilateral relations have always been very fine.

He expressed belief that the current China tour by the Rwandan delegation will surely serve to further promote the ties between the two countries.

Theodoer said his council and the Chinese National People's Congress (NPC) have always cherished a very good relationship which he believes will continue to grow.

Briefing Li on some basic elements of Rwanda's domestic and foreign policies, Theodoer said his nation has adopted a policy of peace and national unity.

As for foreign affairs, the parliamentary leader noted Rwanda respects the sovereignty of other countries, and stands for non-interference in the internal affairs of other countries and for the establishment of good neighborly relations.

He said he hopes the friendly ties between the Rwandan and Chinese Governments and the two legislative bodies will continue to grow.

Li Peng said China appreciates the domestic and foreign policies of Rwanda touched on in Theodoer's briefing.

As developing nations, Li continued, both China and Rwanda are confronted with the same task of building up their respective countries.

"We hold that the developing countries should strengthen unity among themselves, and help and support each other for this is our strength for progress," the Chinese premier added.

He pointed out that the NPC and its Standing Committee are China's most powerful organs and legislature and play very important roles in state political life.

The Chinese Government has rendered full support to the NPC in its efforts to conduct friendly contacts with foreign parliaments, Li explained.

Lei Jieqiong, vice-chairman of the NPC Standing Committee, was also present at the meeting.

Education Agreement Signed With Zambia

OW3105082290 Beijing XINHUA in English
0647 GMT 31 May 90

[Text] Lusaka, May 30 (XINHUA)—China and Zambia agreed to further strengthen their exchange and cooperation in the field of education, according to an agreement signed here today.

The agreement was signed by Zhu Kaixuan, vice-chairman of the State Education Commission of the People's Republic of China, and Joseph Kasonga, minister of state, Ministry of Higher Education Science and Technology of the Republic of Zambia.

According to the agreement, education leaders from the two countries will exchange visits to brief each other on the development of education.

Both countries also agreed to establish institutional links, holding that mutual recognition of credentials, diplomas and degrees conferred by higher educational institutions will strengthen bilateral relations.

China will continue to provide 15 scholarships to Zambia every year, while Zambia will continue to keep five places for Chinese students.

China will send professors to lecture Zambian students in accordance with the needs of the Zambian universities, and will help Zambia in 1990 to purchase teaching and learning materials, including equipment for David Livingstone Teacher Training College.

Kasongo said the agreement is a milestone in educational exchanges between the two countries, marking a new beginning in this field.

The low-level of science and technology in Zambia results from colonial rule, the minister said, adding that friendly countries, including China, should urge developed countries to give developing countries more help.

The five-member Chinese delegation arrived here on May 26, and will leave for Harare today to continue their overseas visits.

Seventh Medical Team Leaves Madagascar

*OW3005082090 Beijing XINHUA in English
0156 GMT 30 May 90*

[Text] Antananarivo, May 29 (XINHUA)—The seventh Chinese medical team sent by Gansu Province left here this evening for home after two years' service in Madagascar.

Madagascar's Public Health Minister Jean Jacques Seraphin met the 27 members of the team. He also awarded, in the name of the head of State of Madagascar, decorations to the team leader and three others for their exploit in serving his people.

On May 24, Celine Ratsiraka, wife of the president of the republic, offered a dinner in honor of the team.

The team has treated some 280,000 patients since it came in 1988, winning appreciation from the Malagasy people for its work.

A new team from the same province has already started treating patients after it arrived here on May 15.

Latin America & Caribbean

Yang Shangkun Continues Latin American Tour

Economic Relations Viewed

*HK3005151390 Beijing RENMIN RIBAO in Chinese
11 May 90 p 7*

[Article by Shu Yunxiang [5289 0061 4382]: "China's Economic Relations and Trade with Latin American Countries Develop Rapidly"]

[Text] At the invitation of the presidents of Mexico, Brazil, Uruguay, Argentina, and Chile, State President Yang Shangkun will soon pay a state visit to these five countries. This is the first time a Chinese head of state will visit Latin American countries, so this has a very important and far-reaching significance. The current visit will open a new page in the history of friendly and cooperative relations between China and Latin America and will instill new vitality to the continued development of bilateral economic and trade relations.

Economic and trade relations between China and Latin America can be dated back to the 1570's. At that time, large quantities of Chinese silk, ceramics, spices, paper, etc. were exported via Manila in the Philippines to Mexico and then from Mexico to various places in Latin America. At the same time, tomatoes, tobacco leaves, potatoes, etc. were also spread to China. This "silk road" by sea to Latin America via the Philippines thrived for a time during the Ming and Qing Dynasties, continuing for about two and a half centuries altogether.

Since the founding of New China, China has established diplomatic relations with 18 countries in Latin America. On the basis of equality, mutual benefit, and supplying each other's needs, the economic and trade relations between China and Latin America have progressed at a rapid pace. To date, China has economic and trade ties with almost all Latin American countries or regions. It has signed governmental trade agreements with 12 countries, i.e. Mexico, Cuba, Jamaica, Ecuador, Peru, Brazil, Chile, Argentina, Colombia, Nicaragua, Venezuela, and Uruguay. China has signed trade, economic, and scientific and technological cooperation agreements with Trinidad-Tobago; and signed governmental economic and technological cooperation agreements with countries such as Jamaica, Cuba, Guyana, Chile, Peru, Ecuador, Nicaragua, Uruguay, Bolivia, and Suriname. China has established official economic and commercial organizations in 17 countries in Latin America and set up a trade center in Panama. Our country has also set up inter-governmental economic and trade mixed committees with Chile, Mexico, Argentina, Brazil, Ecuador, Colombia, Guyana, Venezuela, Nicaragua, Bolivia, Cuba, and Uruguay. China's trade volume with Latin America increased from \$1.96 million in 1950 to \$2.97 billion in 1989, a record high. Of this, China's exports reached \$550 million, up 42 percent compared with the previous year; and China's imports reached \$2.42 billion, up 10 percent.

Mexico, Brazil, Uruguay, Argentina, and Chile are China's important trading partners in Latin America. In 1989, their trading volume with China accounted for 72.2 percent of the total trading volume of China with Latin America. Last year, the total trading volume of China and Mexico reached \$190 million (of which our imports were \$150 million and our exports \$40 million); that of China and Brazil reached \$1,020 million (of which our imports reached \$940 million and our exports \$80 million); that of China and Uruguay reached \$113 million (of which our imports reached \$110 million and

our exports \$3 million); that of China and Argentina reached \$576 million (of which our imports reached \$567 million and our exports \$9 million); and that of China and Chile reached \$240 million (of which our imports reached \$180 million and our exports \$60 million). The main commodities of China's imports are iron sand, copper, steel products, logs, wool, raw sugar, paper pulp, chemical fertilizers, chemical fiber, etc; the main commodities for export to these countries are textile and other light industrial products, chemical industrial products, petroleum, mechanical and electrical products, etc.

In recent years, China and Latin America have also been making considerable progress in economic cooperation. Under the guidance of the four principles of "peace and friendship, mutual support, equality and mutual benefit, and common development", China and Latin American countries have launched labor cooperation and set up joint ventures. To date, China has reached agreement on 17 cooperative projects with Mexico, Brazil, Argentina, Venezuela, Chile, etc., with a total investment of \$36 million, of which our investment was about \$22 million. The scope of cooperation includes such fields as forestry, fishery, mining, petroleum extraction, and spinning and weaving, some of which have gone into operation and are reaping results. What is worth mentioning is that the Chile Copper Company and the Beijing Copper Tubing Factory have pooled capital to set up the "Jing Sheng Copper Tubing Co., Ltd." in Beijing, which is the first joint venture set up by a Latin American country in China.

Though separated by vast oceans, China and Latin America belong to the Third World. They have the same or similar stands on many major international issues. With respect to economy, trade, and technological cooperation, there are many fields where we can learn from and supplement each other. Accordingly, there is great potential for development in economic and trade relations between China and Latin America and the prospects are vast. We believe that, with the constant deepening of reform and opening up in our country, the 1990's that has just dawned will be an era of rapid progress and development for China's socialist modernization drive and also an era when the economic and trade ties between China and Latin America will come to full fruition.

Meets Uruguayan Reporters

HK3105025390 Beijing RENMIN RIBAO in Chinese
26 May 90 p 1

["Dispatch" by Reporters Zhang Dezhen (1728 1795 4176) and Li Zhiming (2621 1807 2494): "President Yang Shangkun Answers Questions Raised by Uruguayan Reporters"]

[Text] Montevideo, 24 May (RENMIN RIBAO)—This afternoon, President Yang Shangkun held a press conference at the presidential palace of Uruguay and answered questions raised by local reporters.

President Yang said: Although my current visit to Uruguay is short in time, the visit left a beautiful and profound impression in my mind. This visit was successful and achieved expected results. President Lacalle and I held very useful talks in a cordial and friendly atmosphere. We exchanged opinions on bilateral relations and the international affairs of common interest, and found that we agreed with each other on a wide range of issues. The two governments signed three documents, including the agreement on quarantine and sanitation cooperation. In addition, I also met with other government and political leaders and made a lot of new friends. There are broad prospects in expanding the cooperation scope between China and Uruguay. With the joint efforts of the two governments and the two peoples, China and Uruguay can certainly establish long-lasting and stable friendly and cooperative relations.

In response to a reporter's question about the purpose of his visit to Uruguay and the prospects of Sino-Uruguayan relations, President Yang said that the current visit to Uruguay was aimed at increasing mutual understanding, advancing friendship, and developing cooperation. President Yang said: Latin America, like China, is an important component part of the Third World. Strengthening unity and cooperation with the Third World is a basic principle in China's foreign policy. Although China is far from Latin America in geographical terms and there are differences in the social systems and cultural tradition, we have no fundamental interest conflict and share common points in a wide scope. President Yang said: China and Latin American countries have rich resources and their respective advantages, so both sides can complement each other through carrying out extensive exchanges and cooperation. China and Latin America are also friends in their close cooperation for seeking peace and development. The Chinese government attaches great importance to developing friendship and cooperation with Latin American countries and takes it as the government's long-term and invariable principle.

When answering a question about last year's Tiananmen Incident and about China recently releasing more than 200 law-breaking people, President Yang said: When a country is to build socialism, it must first maintain stability and order. The counterrevolution rebellion breaking out last year in Beijing was aimed at overthrowing the socialist system. The Chinese government was finally forced to take comparatively severe action to quell the revolt. The cause of the turmoil [feng bo 7364 3134] had no relation with the socialist system itself, and they were two entirely different things.

President Yang said: The more than 200 law-breaking people who were released recently were detained for investigation because they offended the state's laws in last year's turmoil. The public security organs later released them because they showed repentance.

President Yang said: As for the young students, they are the people's children and form the force for building socialism in China in the future. Some of them were not aware of the true facts for a time and took some incorrect actions. We not only show warm care for them but also set strict demands on them. We pardoned them and did not punish them.

A reporter asked President Yang to comment on the development of the world situation. President Yang said: The present international situation is undergoing some major changes. There is both the factor of detente and the factor of more turbulence. When facing such a world situation, how to advance it continuously along the course favorable to peace and development will be a major question for all the people in the world. President Yang said: So long as the people in all countries of the world make joint efforts to build a new international political order on the basis of the Five Principles for Peaceful Coexistence and to build a new international economic order, it is possible to avoid a new world war and to strive for a peaceful environment that can last for a long time.

Meets Overseas Chinese in Argentina

OW3105115390 Beijing XINHUA Domestic Service in Chinese 0309 GMT 28 May 90

[By reporter Wang Yuezhong (3769 6460 0022)]

[Text] Buenos Aires, 27 May (XINHUA)—President Yang Shangkun met and had cordial talks with representatives of Overseas Chinese living in Argentina and Argentine Chinese at the Chinese Embassy here today.

In talking to 20 representatives of Overseas Chinese and Argentine Chinese, President Yang said: At present, the political, economic, and social situations in China are stable. Prices have come down. Thanks to reform and opening to the outside world, the nation's modernization has accelerated. The overall situation is good.

When he learned that many Overseas Chinese living in Argentina and Argentine Chinese were from Taiwan, President Yang said: Whether they came from Taiwan or Mainland China, it is a common aspiration of all Chinese to realize the reunification of the motherland. Taiwan has achieved some economic development. But Taiwan is short of industrial resources. The mainland has ample resources. Therefore, reunification will be beneficial to both. President Yang said humorously: The mainland has no intention of taking advantage of Taiwan. It will benefit us if we develop together. Taiwanese visit Xiamen everyday. At present, Shanghai's Pudong District and Hainan Island are practicing the policy of opening to the outside world and are development zones. We welcome foreigners, Taiwanese compatriots, and Overseas Chinese to invest there. President Yang said: Taiwan has \$70-80 billion in foreign exchange reserves now. Other countries may not want Taiwan's investment, but we welcome it.

Ye Jian, a representative of Overseas Chinese living in Argentina said: I have personally seen the rapid progress the mainland has made. I left the mainland 50 years ago. Recently I made four trips back to the mainland for sightseeing. He added: Overseas Chinese living abroad are expecting an early reunification of the motherland.

At the invitation of Mr. (Makeli), president of (Suokema) Financial Conglomerate, President Yang and his entourage, accompanied by Argentine Foreign Ministry Officials and noted industrial and commercial personages, went to (Apoluohos) Ranch in the suburbs of Buenos Aires to see cattle of fine breeding and to watch equestrian performances, folk customs, and a soccer game.

Signs Memorandum With Chile

OW3005104790 Beijing XINHUA in English 0649 GMT 30 May 90

[Text] Santiago, May 29 (XINHUA)—China and Chile signed a memorandum for plant quarantine cooperation here today.

Chinese Vice Foreign Minister Liu Huaqiu and Chilean Agricultural Minister Agustin Figueroa signed the memorandum.

Liu also met with Chile's acting Foreign Minister Edmundo Vargas here this afternoon, and the two reached consensus on bilateral and international issues of common concern.

Liu is accompanying Chinese President Yang Shangkun on a visit to Chile.

Wu Xueqian Meets Chilean Businessmen

OW3005144190 Beijing XINHUA in English 1410 GMT 30 May 90

[Text] Santiago, May 30 (XINHUA)—China's policy of opening up to the outside world has made major headway, said Chinese Vice Premier Wu Xueqian here today.

Wu, who is accompanying Chinese President Yang Shangkun on a state visit to Chile, outlined China's economic relations with the rest of the world at a meeting with Chilean business and industrial leaders.

Wu said a new structure of opening up has been formed in China, with five special economic zones as the front-line, 14 coastal open port cities as the backbone, and 11 coastal provinces and municipalities as the base.

In these places, he said, foreign investments are accorded preferential treatment and external trade and economic cooperation have kept growing.

"Economy is stable and reform is being pushed forward there," he added.

Vice Premier Wu gave specific figures for foreign investment in China. He said that, until the end of last year,

over 21,000 direct foreign investment projects had been approved, with foreign commitments reaching 33.7 billion dollars and disbursement 15.4 billion dollars.

This injection of foreign capital, Wu said, has made up for the balance of China's domestic development fund and boosted the "weak links" in China's national economy.

He said the policy to open up has greatly expanded China's foreign trade, with total value of imports and exports surpassing 100 billion dollars for the first time last year, or four times of what it had been in 1978.

China has also begun to invest overseas and increased its service exports, he added.

On Sino-Chilean trade and economic relations, Vice Premier Wu said the development has been fairly smooth, featured by increasing trade value and diversification of traded items.

Sino-Chilean trade hit a historical record by increasing 9.4 percent in 1989 over the previous year, reaching 160 million dollars, and Chile has become China's fourth largest trading partner in Latin America, according to Wu.

He noted that the two countries' traded items are mutually complementary. Copper, timber, pulp, fish meal, and Chile nitre are China's long-term imports and China's textiles, light industrial products, electrical machinery, and handicrafts sell well in the Chilean market.

In addition, he said, the two countries have also started to invest in each other's market.

"We are satisfied with the development of our economic and trade relations. To push our cooperation in these fields further, we should make even greater efforts," Wu emphasized.

Chinese President Yang Shangkun is wrapping up his Latin American visit today. Accompanying him on the visit are also Chinese Vice Foreign Minister Liu Huaqiu, Vice Minister for Foreign Economic Relations and Trade Lu Xuejian, and other Chinese officials.

Chilean President Views Visit

OW3005181390 Beijing XINHUA in English
1801 GMT 30 May 90

[Text] Santiago, May 30 (XINHUA)—Chile's President Patricio Aylwin said Tuesday that the visit of Chinese President Yang Shangkun, the first such visit by a Chinese head of state to this South American country, boosts the development of the friendly relations of cooperation between the two nations.

Aylwin spoke of Yang's state visit to Chile in an interview with XINHUA at the presidential palace here late Tuesday.

Regarding relations between China and Chile, Aylwin recalled that in 1970 Chile became the first South American country to establish diplomatic ties with China. In the same year, China in turn became the first non-member of the South Pacific Permanent Commission to recognize the validity of Chile's doctrine of exclusive economic zones.

Aylwin stressed his administration's willingness to increase and strengthen Chile's relations with China on all different levels.

"We want to move ahead with the systems of permanent consultation of a political nature and, in the area of economic cooperation and bilateral trade, my government will try all means so that the flow of exchange will continue to increase in both areas," Aylwin said.

He also expressed the desire for greater cooperation in the areas of culture and sports between the two countries.

He said President Yang has extended a formal invitation for him to visit China. "I hope that I can (visit China) in the second half of next year," he said, adding that the trip "will serve to stress Chile's intention to reinforce and increase permanent ties between the governments and peoples of both countries."

Trip Termed 'Success'

OW3005182390 Beijing XINHUA in English
1807 GMT 30 May 90

["Roundup: Visit by Chinese President To Latin America a Success (by Zhao Zijian and Shen Jiasong)"]—XINHUA Headline]

[Text] Santiago, May 30 (XINHUA)—Chinese President Yang Shangkun left here for home today, concluding his successful state visits to five Latin American countries.

With an aim to promote mutual understanding and friendship between China and Latin America, President Yang arrived in Mexico City on May 14 and then visited Mexico, Brazil, Uruguay, Argentina and Chile successively.

This marks the first visit by a Chinese head of state to Latin America since the founding of the People's Republic of China in 1949.

The governments of the five Latin American countries paid great attention to and made careful arrangement for Yang's visit. Wherever he went, President Yang was warmly welcomed in the host countries.

This proves that the friendship between China and Latin American countries has great vitality. Though they are geographically distant, and their languages, culture and social systems different, they do not have conflicts of fundamental interests but many things in common.

It is a common task for China and Latin American countries to safeguard world peace and promote development, which is a solid basis for their friendly relations of cooperation.

During their talks, President Yang reached consensus with leaders of the five Latin American countries on a wide range of bilateral and international issues of common concern.

Some agreements on economic, trade, science and technology, cultural and other bilateral exchanges have been signed during Yang's visit.

Both Yang and host government leaders agreed that, under the current international situation, the developing countries are faced with new opportunities and challenge, that unity and cooperation between developing countries thus become ever more important, not only to world peace, but also to their respective economic construction.

Latin American countries are faced with economic difficulties of various degrees, but vigorous developments were seen everywhere, which have left President Yang with a deep impression.

Leaders of the five Latin American countries, through their meetings with President Yang, also got a better understanding on China's modernization efforts. They have been told that China's economy is back on track for continued, coordinated and stable development.

In their comments on China, some leaders of the host governments called China "a deciding factor to world future" and "the world will not be far-reachingly significant, nor perfect, without China's contribution."

During his visits to the five countries, President Yang has met with people of various circles and discussed with them on further expansion of bilateral exchanges and cooperation.

President Yang outlined China's success in implementing the policy of reform and opening up to the outside world and has got warm responses when he stated that China is willing to develop friendly relations with all countries in the world on the basis of the Five Principles of Peaceful Coexistence.

Throughout the visit, consensus have been viewed that China and Latin American countries have many things to complement each other. They both have vast territories, rich resources and specific advantages in their economies and technology. Therefore, they said, the potential for their cooperation is great and prospect bright.

During his visit, President Yang also invited his counterparts of the host countries to visit China, and they happily accepted. The exchange of visits by Chinese and Latin American leaders will certainly keep on the momentum of the friendly, cooperative relations between China and Latin America.

Meets Chilean Business Leaders

OW3105015290 Beijing XINHUA in English
0039 GMT 31 May 90

[Text] Santiago, May 30 (XINHUA)—Visiting Chinese President Yang Shangkun met here today with Chilean business leaders and listened to their opinions on developing Sino-Chilean economic and trade relations.

Members of the Chilean Industrial Development Council representing the country's mining, manufacturing, commercial and other businesses extended a warm welcome to President Yang and his entourage and had frank discussions just hours before Yang's scheduled departure for home.

Mr. Fernando Aguero, president of the council, spoke about Chile's current economic recovery, saying the sound situation has made Chilean businessmen optimistic about expanding trade ties with China.

"We hope more Chilean mineral and other products be shipped across the Pacific to China, and more Chinese manufactures, crude oil and other products coming here," he said in a welcoming speech.

Mr. Alejandro Foxley, Chilean minister of treasury, said on behalf of the Chilean Government that Chile and China should further promote their peaceful and friendly relations and relations of mutual support as they have now.

He noted that bilateral trade between Chile and China has seen prominent growth over the last few years. And as the current Chilean Government is dedicated to developing an open and competitive economy through more external trade and more foreign investment, its efforts are just in step with that of China's in entering the world and regional markets.

"The prospect for relations between us on the basis of mutual benefit is encouraging," he declared.

Chinese Vice Premier Wu Xueqian, who is accompanying President Yang on the current five-country Latin American visit, also made a speech outlining China's policy of opening up to the outside world.

He emphasized that the policy is a firm one, being based on a careful summary of China's historical experiences and scientific analysis of the changing situations both in China and in the outside world.

"The policy of opening up to the outside world is China's basic state policy and an important component of its economic development strategy," he stated.

In a question and answer session following the speeches, Chilean businessmen hoped that their on-going projects in China be carried out smoothly, and President Yang and his aides replied that they would see to it when they are back in Beijing that their hopes are met satisfactorily.

Also accompanying President Yang on the visit are Chinese Vice Foreign Minister Liu Huaqiu, Vice Minister for Foreign Economic Relations and Trade Lu Xuejian, and other Chinese officials.

Leaves for Home 30 May

OW3105014090 Beijing XINHUA in English
0107 GMT 31 May 90

[Text] Santiago, May 30 (XINHUA)—Chinese President Yang Shangkun left here for home at noon today via Isla de Pascua, ending his 18 day tour to Latin America which brought him to Mexico, Brazil, Uruguay, Argentina and Chile.

A seeing-off ceremony was given at the airport by Chilean President Patricio Aylwin in honor of the Chinese head of state.

President Yang said before his departure that his tour to the five Latin American countries has been a full success.

Congratulates New Colombian President

OW3105063790 Beijing XINHUA in English
0619 GMT 31 May 90

[Text] Bogota, May 30 (XINHUA)—Chinese President Yang Shangkun today sent congratulations to Cesar Gaviria Trujillo on his election as new Colombian president, it was announced here.

The message reads, "I have learned with pleasure of your election as president of the Republic of Colombia, and I have the honour to send to Your Excellency, in the name of the Government and people of China, as well as my own, our warmest congratulations and best wishes.

"May the relations of friendly co-operation between China and Colombia and the friendship of both peoples keep strengthening and growing."

Cesar Gaviria Trujillo was elected on May 27. On the following day, the Chinese ambassador to Colombia, Wang Yusheng, sent his personal congratulatory message.

Political & Social

Deng Xiaoping 'Low-Key' Handling of Xu Jiatun Case

HK3105094090 Hong Kong PAI HSING in Chinese
No 217, 1 Jun 90 p 5

[Report from Beijing by unidentified staff reporter:
"Deng Xiaoping Deals With Xu Jiatun's Problem in a
Low-Key Manner"]

[Text] News from Beijing:

Xu Jiatun's desertion to the United States on 1 May gave Beijing a great shock. According to what was relayed to some officials, the CPC central leaders were shocked by this unexpected event. The foreign trips planned by some members of the Chinese People's Political Consultative Conference [CPPCC] and the democratic parties were also affected. Shen Zun, a CPPCC member, planned to visit relatives in Hawaii this summer but he could not make this journey after the Xu Jiatun incident occurred. It is said that his journey has been postponed to next year. The atmosphere in Beijing became more tense after Xu's defection, although the tight internal control was concealed by certain superficial relaxations.

When Xu Jiatun departed for the United States, he left a letter to Deng Xiaoping and Yang Shangkun. The letter was delivered by special messenger from the XINHUA Hong Kong Branch to Beijing. Xu's letter used euphemistic words to express his discontent with Li Peng's persecution attempt and also expressed his allegiance to the communist cause. In the letter, Xu promised that he would not seek political asylum, would not issue any public statement, and would not do anything detrimental to the state and the nation. In order to show his sincerity in making these promises, he said in the letter that he decided to accept Master Hsing-yun's April 1989 invitation and stay in Hsing-yun's Hsi Lai Temple in Los Angeles. This implied that he would not defect into the hands of the CIA.

According to sources close to Deng Rong, Deng Xiaoping's youngest daughter, after Deng read Xu Jiatun's letter, which had been passed on to him by Yang Shangkun, Deng's first reaction was to fall into a trance. He then flew into a rage and bawled at both Xu Jiatun and Li Peng. Obviously he accepted the fact Xu was forced to leave by Li Peng. Deng then sat on the sofa without saying anything for five minutes. Finally, he gave an instruction to Yang Shangkun, saying that since Xu Jiatun said that he went to the United States to take a rest and make a sightseeing tour, then we will handle his case in a low-key manner in accordance with what he said. This can first be relayed inside the party and the event should be further investigated. What the U.S. side will do should be particularly noted. Xu Jiatun should be contacted as quickly as possible.

In accordance with Deng's instruction, Zhu Qizhen, Chinese ambassador to the United States, and Ma

Yuzhen, Chinese consul general to Los Angeles, contacted Xu Jiatun using the clue about Hsing-yun as mentioned in Xu's letter.

According to Zhu Qizhen's report to Beijing, he met and talked with Xu Jiatun in Los Angeles on the morning of 19 May local time. Xu reiterated his promise of not having given up his belief in communism and expressed his firm support for Deng Xiaoping's determination to carry out reform and opening up and building socialism with Chinese characteristics. But he denounced something which Li Peng and Zhou Nan had done as rude and expressed his discontent. Xu Jiatun's letter cited Liang Xiang's case. Liang Xiang was accused by Li Peng of "supporting Zhao Ziyang and the turmoil" and was persecuted.

Zhu Qizhen relayed to Xu Jiatun a message from Yang Shangkun in Mexico, hoping that Xu would return to China together with Yang after Yang finished his visit to the five Latin American countries. Xu politely declined this proposal and said that he hoped to make an extensive inspection of capitalist society.

In his report to Beijing, Zhu Qizhen said: Master Hsing-yun solemnly told me that he only tried to satisfy Xu's wishes and requirements and had not tried to exert any influence on Xu. Hsing-yun stressed that Buddhism shows mercy to all people and provides convenience to all people, so what he did and will do can only be neutral in nature. He do not support any radical action and will try his best to disperse violence and hatred. According to Ambassador Zhu's understanding, Hsing-yun hinted that he would not try to bring Xu Jiatun into contact with officials from Taiwan. In view of Zhu's contact with Xu, the CPC was trying to play down the seriousness of this event and trying to appease and tranquilize Xu, even though Xu could not be persuaded to return home, lest Xu take any "insensitive" action like he took after facing pressure from Li Peng and Zhou Nan.

Beijing has also fully estimated the negative impact of Xu's departure on the implementation of "one country, two systems" in Hong Kong. Zhou Nan was told to take a low-key approach toward this event and to handle relevant issues prudently. The Hong Kong and Macao Affairs Office is now evaluating the statements made by Zhou Nan since he took office in the XINHUA Hong Kong Branch. Beijing expressed appreciation for the low-key approach adopted by the British authorities in Hong Kong because Governor David Wilson did not make any public comment on this event. Beijing's low-key approach also prompted the U.S. side to adopt a low-key approach and Beijing also expressed satisfaction over this. In particular, Beijing was glad to know that Xu Jiatun met with Zhu Qizhen before he met with the representative from the U.S. State Department.

An official from Deng Xiaoping's office recently said in answer to a question from a pro-Chinese celebrity in Hong Kong, that all sides are now adopting a low-key approach. He cited the low-key approach taken by six

sides: The Chinese side, the U.S. side, the British authorities in Hong Kong, Hsing-yun, Xu Jiatun himself, and the Taiwan side have all adopted a low-key approach. In particular, the Taiwan side has still not taken any action on this issue.

Tiananmen Square To Be Closed on 1 Jun

HK3105074790 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0555 GMT 1 Jun 90

[Report: "Beijing Will Close Tiananmen Square on 1 June"]

[Text] Beijing, 31 May (ZHONGGUO TONGXUN SHE)—Beijing will close Tiananmen Square on 1 June and will exercise traffic control on the nearby roads.

BEIJING RIBAO carried a notice, saying that in order to ensure the smooth holding of the International Children's Day celebration activities in Tiananmen Square on 1 June, the above-mentioned measure will be adopted.

The square will be closed and traffic control will be exercised for five hours. During these five hours, no vehicles—including buses—and no pedestrians will be allowed to enter the square or to pass on the roads on both the east and west sides of the square, except for vehicles and people with certificates for participating in the activities.

It was learned that on 3 and 4 June, similar measures will also be imposed on the square and nearby roads as a lecture meeting to mark the 150th anniversary of the Opium War and some large-scale activities to greet the Asian Games will be held in the Great Hall of the People.

Jiang Zemin Stresses Science Programs

OW3005155790 Beijing XINHUA in English
1448 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—Jiang Zemin, general secretary of the Communist Party of China (CPC), said here yesterday that scientists and other scientific and technical workers are precious treasures of the party and state, and an important force for socialist construction.

Speaking at a four-day seminar which ended on Tuesday, Jiang said the Chinese scientists have made great contributions to the Chinese nation and the civilization of mankind. During the process of invigorating China, scientists are playing a great role, their feats and enterprising spirits will go down in history and the country and people will be grateful to them forever.

Jiang said he hopes scientists and technicians will continue to carry forward the tradition of patriotism, the spirit of hard struggle, a rigorous and down-to-earth style of study, and undertake the historical task of invigorating Chinese civilization.

Jiang Zemin said that without modern science and technology, there will be no socialist modernization. The whole party and the whole nation must be aroused to recognize the importance of science and technology.

At the same time, correct policies should be adopted to promote the progress of science and technology.

On questions of scientific personnel, investment and international cooperation, Jiang said these questions can be solved only by adhering to the reform and open policy and by improving various relevant policies and measures.

At present, leadership, from the CPC Central Committee and State Council down to party committees and governments at local levels, should attach importance to the progress of science and technology, increase investment in this field faster than the growth of the gross national product (GNP), earnestly implement the party's policy on intellectuals, pay attention to filling the gap in scientific personnel, improve the living standard of scientists, and further strengthen international scientific cooperation and exchange.

"We must advocate dialectics and overcome one-sided thinking to correctly handle relations between theory and practice, between basic research and applied research and development, between self-reliance and the import of technology, and between economic returns and social results," Jiang said.

The seminar, attended by 24 noted scientists, was presided over by Premier Li Peng, who said he completely agreed with Jiang Zemin's speech.

Li Peng said realization of the modernization program requires increasing investment in science and technology. Of course, he said, the increased investment should come from various channels—the central authorities, the localities, the governments and enterprises.

He said it is necessary to formulate and improve the relevant policies to give enterprises a mechanism for stressing self-development and scientific research and adopting new technology. Meanwhile, scientific research institutes should see that their achievements find applications in industrial and agricultural production, develop new-technology industries and translate research into production. On improving the working conditions and living standards of scientists, Li Peng said general improvement should come with development of the national economy. Under present conditions, preferential policies should be adopted toward those who have made outstanding contributions.

Li Peng also said scientific work should be combined with the five-year state plan and the 10-year program and conform to the development of the national economy.

Qiao Shi, Yao Yilin, Song Ping and other Chinese leaders also attended yesterday's seminar.

Jiang Zemin, Li Peng Emphasize Population Control*HK3005014990 Beijing CHINA DAILY in English
30 May 90 p 1*

[By staff reporter Zhu Zaoxia]

[Text] Party General Secretary Jiang Zemin and Premier Li Peng have again urged China's Party and government officials to strengthen their support of the country's family planning drive and help family planning workers carry out their tasks.

The two leaders, in a joint letter to mark yesterday's 10th anniversary of the China Family Planning Association, praised the association and its local branches as well as all its staff members for their achievements during the past decade.

They reiterated in the letter that family planning is among the nation's basic policies aimed at curbing rapid population growth and enhancing the quality of life. These steps will ensure the success of the socialist modernization.

The Asian and Oceania Regional Office of the International Federation for Family Planning also congratulated the Association in a message, saying China has contributed to East and Southeast Asia and Oceania with its successful practice and experience in family planning. The China Family Planning Association has been a council member to the regional office for 4 years.

The regional office plans further international cooperation with the association.

The international organization has also decided to hold its 1990 Regional Council Meeting in Beijing next month to allow more people from the region to learn from China's experiences.

Founded on May 29, 1980, the association has established 500,000 branches throughout the country with 20 million members.

It is a nationwide non-governmental organization composed of senior civil servants, retired workers, medical personnel and representatives of mass organizations such as women's federations and youth leagues.

It was formed to assist the government in family planning by raising public awareness and conducting education programmes.

It also informs the State on how successfully population guidelines are being implemented.

Li Peng Meets With Participants of Land Seminar*OW3105105190 Beijing XINHUA Domestic Service
in Chinese 1334 GMT 30 May 90*

[By reporter Huang Zhenggen (7806 2973 2704) and correspondent Zhou Naiping (0719 0035 1127)]

[Text] Beijing, 30 May (XINHUA)— Li Peng and Yao Yilin, premier and vice premier respectively of the State Council, cordially met with all the participants of the seminar on the theory of the reform of land use systems in China and had a group photo taken with them this afternoon.

The major purposes of the meeting were to discuss the existing problems in our country's land use systems; to explore the goals, modes, and measures of reform; and to provide a theoretical basis for the reform of land use systems. This will all be done on the premise of persisting in the guidance of the Marxist land lease theory, of adapting to the requirement of China's reform and opening to the outside world, and on the need to strengthen land management. Approximately 100 people attended the meeting including leaders from sponsoring units, noted economic experts, professors, administrative leaders, and cadres who have practical experience in land use.

Li Peng made an important speech during his meeting with the seminar participants, saying: It is very significant to explore and discuss the reform of our country's land use systems.

Li Peng pointed out: Land is an issue of utmost importance to our country. China has a large population with little land. Hence, land resources are very precious. The party and government have always attached importance to land problems. The purpose of the State Council's decision to establish a land management bureau is to strengthen land management throughout the country. We should promote the love for the land, the protection of the land, and effective land utilization. Li Peng said: Party committees and governments at all levels should attach importance to the land problem and fully support the work of land management departments at all levels. Land management departments at all levels should improve their work and strengthen management.

Wang Xianjin and Gao Shangquan, members of relevant departments, were among those who met with Li Peng and Yao Yilin.

Yang Shangkun Views High-Ranking PLA Officers*HK3105005790 Hong Kong WEN WEI PO in Chinese
29 May 90 p 17*

[Report: "Yang Shangkun Comments on High-Ranking Military Officers"]

[Text] News from Beijing: CPC Central Military Commission Vice Chairman Yang Shangkun's speech regarding the assessment of important military personalities was carried in JUNSHI LISHI (MILITARY HISTORY).

Yang Shangkun said that conclusions regarding the assessment of major issues could be drawn only after such issues had been discussed by the central authorities. Recently, I read some memoirs about Ye Ting, in which

the circumstances of his detention by the Kuomintang in the southern Anhui incident were covered. After the New 4th Army was surrounded by the enemy, Ye Ting, in an attempt to rescue the remaining 100-odd people, took a few people with him down the mountain to take the matter up with the Kuomintang. At that time, he was the commander of the New 4th Army appointed by Chiang Kai-shek and also a famous high-ranking military officer. He believed that he could rescue those people, and it never occurred to him that Chiang Kai-shek would dare to arrest him. However, the outcome was that he was detained by Chiang Kai-shek as soon as he went down the mountain. How should Ye Ting be assessed on this issue? I believe it was something he should do. His troops were scattered in the battle, and Rao Shushi fled by disguising himself as the secretary of the company. Ye Ting had no other way. Another example is how Lin Biao should be assessed. Apart from his confrontation with Mao Zedong on some issues, there are many aspects in Lin Biao's days in northeastern China, including his entry through the Shanhai pass and his battles across the Chang Jiang all the way to Hainan Island, that should be given recognition. Although he later turned traitor, we should not say that he had always been bad since his days in northeastern China. At any rate, he was still a military officer of the Red Army who had fought quite a number of battles. The historical assessment of such personalities should be discussed by the central authorities.

How should we assess people like Xiang Ying and Zhang Guotao? I think that they should be assessed under the specific historical conditions. Not long ago, films and dramas produced in northeastern China avoided mention of Lin Biao. Did Chen Yun not say that Lin Biao should be assessed under specific historical conditions? You are not in a position to draw conclusions regarding certain important historical issues of these people. This is something that should be undertaken by the central authorities in the future. If we want the history that we write to be tenable in all aspects, then our assessment should be fair.

Li Ruihuan Seen as Threat to Ziang, Li

HK3105020990 Hong Kong SOUTH CHINA
MORNING POST in English 31 May 90 p 13

[By Willy Wo-lap Lam]

[Text] A member of the Politburo Standing Committee in charge of ideology and propaganda, Mr Li Ruihuan, has emerged as a leader of the Communist Party's moderate wing and a major competitor to both party General-Secretary, Mr Jiang Zemin, and Prime Minister, Mr Li Peng, as the "core" of the third-generation leadership.

Mr Li's expanding clout is evident from the trip he paid to Guangdong province from May 19 until last Tuesday, which was publicised in major Chinese newspapers yesterday.

A former mayor of the open city of Tianjin, Mr Li assured cadres in Guangdong, who have benefited from the reform policies of ousted party chief, Mr Zhao Ziyang, that liberal economic policies would remain unchanged.

"Reform and the open door policy have fundamentally changed our country and the people have derived actual benefits," he said.

"Reform is the hope of the people, the trend of history. There is no hope without reform."

As opposed to those of his conservative colleagues who are merely paying lip service to reform to impress foreign investors, Mr Li proposed doing "actual, solid things" for the open cities and the special economic zones.

"We must solve one problem after another and overcome one difficulty after another," Mr Li told Guangdong cadres.

For example, Mr Li gave his support to the building of a new airport and an international port in the Zhuhai Special Economic Zone, whose economy has been depressed since the June 4 crackdown.

Analysts said Mr Li was particularly anxious to reassure Guangdong cadres, now that the State Council had made it clear that the Yangtze River delta zone, whose nucleus is Pudong, Shanghai, would receive the bulk of state investment in the 1990s.

After the announcement of the Pudong project in the spring, cadres in such provinces as Guangdong and Hainan had been worried they would be given a much smaller slice of the pie.

"Mr Li, whose power base has been in the north, is anxious to build bridges to the former associates of Zhao Ziyang and (the late party chief) Hu Yaobang in the south," a Western diplomat said.

While in Guangdong, Mr Li toed the official line about the importance of persevering with the campaigns against pornography and prostitution, gambling and feudal superstition.

However, say analysts, after the campaigns were launched late last year, Mr Li has quietly let them lapse.

Instead, since the spring, Mr Li has been at the forefront of a crusade to reassure the nation's jittery intellectuals that the party is still committed to the liberal standard of "letting a hundred flowers bloom".

While in Guangdong, Mr Li gave what analysts call a liberal reassessment of the student movement last year when he said the students were not all to blame and that the party must also shoulder part of the responsibility.

Chinese sources said Mr Li's star has been rising since February. It was Mr Li who, in an internal speech to Politburo members at the end of that month, proposed calling the sixth plenum to boost the "mass line".

"We must call a special party meeting to talk about the relationship between the party and the masses," Mr Li said. "The party must do solid things to improve its image. It just will not do to put old wine in new bottles."

In a rare move for a senior cadre, Mr Li admitted the prestige of the party had fallen to new lows.

"Why was it that when we entered the cities (from the rural revolutionary bases) in 1949, we were welcomed by the people and why did the people cast aspersions on the army last May and June?" Mr Li asked rhetorically.

Analysts say the fact that senior party leaders agreed with Mr Li's point of view and called the sixth plenum of the Central Committee to promote the mass line was indicative of Mr Li's expanding power base.

Li Ruihuan Stresses Preserving Art Relics

*OW3005155590 Beijing XINHUA in English
1504 GMT 30 May 90*

[Text] Beijing, May 30 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Communist Party of China, met with experts to appraise ancient Chinese calligraphy and paintings here this afternoon.

Li Ruihuan said the experts have made contributions in carrying forward Chinese culture and that he hopes they play an even greater role in the protection of the precious cultural legacy of the motherland.

The experts, including Qi Gong, Xie Ziliu, Yang Renkai, Liu Jiu'an, Fu Xinian and Xie Chensheng, have spent eight years appraising the ancient Chinese calligraphy and paintings housed in museums and institutes throughout China.

Li said protecting and scientifically utilizing the rich collection of relics is an important and urgent task.

He said he hopes the organizations entrusted with the care of these relics organize veteran experts to help the whole nation understand the importance of relics and let them play a role in inspiring patriotism, uniting Chinese people at home and abroad and promoting the prosperity of the motherland.

Li Ruihuan Inspects Guangdong 21-25 May

*HK3105120790 Guangzhou Guangdong Provincial
Service in Mandarin 1000 GMT 30 May 90*

[Text] From 21 May to 25 May, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee and concurrently member of the Secretariat of the CPC Central Committee, inspected the Zhuhai Special Economic Zone.

During his inspection, Comrade Li Ruihuan spoke highly of the achievements made by the Zhuhai Special Economic Zone in its urban construction. Comrade Li Ruihuan said that Zhuhai has attached great importance to its urban construction, scientifically formulated a

comprehensive urban development plan, and conscientiously implemented its plan to the letter.

Comrade Li Ruihuan said that the successful experiences gained by the Zhuhai Special Economic Zone in urban construction should be popularized in the whole country, and in Guangdong Province first.

During his inspection in Zhuhai, Comrade Li Ruihuan visited a number of export-oriented science and technology development bases and toured the whole city.

In the Gongbei Customhouse, Comrade Li Ruihuan had a look at Macao from there. He held that compared with Macao, Zhuhai is not a backward place. Within a short period of a few years, Zhuhai has developed so fast and has become one of the best cities in China. It is no doubt a miracle!

On 25 May, together with Ye Xuanping, governor of Guangdong Province, Comrade Li Ruihuan listened to work reports given by the Zhuhai City CPC Committee, the Zhuhai City People's Government, the Zhuhai City CPPCC Committee, and the Zhuhai City People's Congress.

Comrade Li Ruihuan demanded that on the basis of its urban construction, Zhuhai make a plan to further promote its own scientific and technological development so as to realize a coordinated political, economic, and cultural development in the foreseeable future.

Qiao Shi Speaks at Anticorruption Exhibition

*OW2705091790 Beijing XINHUA Domestic Service
in Chinese 1158 GMT 25 May 90*

[By reporters Mao Lei (3029 4320) and Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 25 May (XINHUA)—A national exhibition of the anticorruption campaign launched by procuratorial organs opened in Beijing today.

Jiang Zemin, Li Peng, and Song Renqiong wrote inscriptions for the exhibition.

Jiang Zemin's inscription reads: "Procuratorial organs should continue to exert efforts to punish corruption and intensify the construction of clean government."

Li Peng's inscription reads: "Reinforce supervision by law, punish corruption and bribery, and energetically promote a clean and honest workstyle."

Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and secretary of the Central Commission on Judicial, Procuratorial, and Public Security Work, spoke at the opening ceremony. He pointed out: Construction of a clean government must be carried out according to the legal procedures. We should set up a complete system of laws and statutes through the course of experience. He said: The promotion of a clean government is not the

work of the procuratorial organs and supervision departments alone. Party committees at all levels and all government departments should shoulder the responsibility of, attach great importance to, show concern and support for, and take the initiative in coordinating with other sectors in ensuring a good job in the construction of a clean government.

Qiao Shi pointed out: The promotion of a clean government is a long-term task which must be carried out persistently over a long time to achieve fruitful results. He expressed the hope that the exhibition will give an impetus to the construction of clean government.

The exhibition reviews the work of the reconstructed procuratorial organs over the past decade. The 1,200 pictures, 15,000 Chinese characters, and 3,000 pieces of articles and video tapes displayed at the exhibition epitomize the achievements of the procuratorial organs nationwide in combating corruption and bribery offenses between 1979 and 1989.

Among those attending the opening ceremony were Xi Zhongxun, Peng Chong, Ngapoi Ngawang Jigme, and Lei Jieqiong, vice chairmen of the National People's Congress Standing Committee; Ren Jianxin, president of the Supreme People's Court; Liu Fuzhi, procurator general of the Supreme People's Procuratorate; and Chen Zuolin, Cai Cheng, Wei Jianxing, Ruan Chongqu, and Wu Wenyang, responsible persons of the relevant departments.

Reportage on Intellectuals' Aid to Dissident

Beijing News Conference Planned

HK3005023990 Hong Kong HONGKONG STANDARD
in English 30 May 90 p 1

[By Cheng Po-ling]

[Text] Three intellectuals who staged a hunger strike in Tiananmen Square last June will challenge China's tolerance of dissent at a press conference in Beijing tomorrow.

Hou Dejian, a returned Taiwanese pop singer and composer, Gao Xin, a university lecturer, and Zhou Duo, an economist, will read out a letter urging the early release of a jailed democracy activist.

He is Liu Xiaobo, a lecturer of the Beijing Normal University who had joined the fast in Tiananmen Square before the crackdown on June 4.

A number of overseas media have decided to send reporters to Beijing to cover Mr Hou's planned press conference, which observers believe may put the authorities in a difficult position.

In an interview with THE HONGKONG STANDARD yesterday, Mr Gao said the three felt they had to do something to save their associate.

He said the contents of the letter would be revealed at the press conference before it is mailed to the concerned departments that same day.

Although a draft of the letter was made available last night, Mr Gao said the three were still discussing the final wording.

The draft said in part: "At a time when the majority of socialist states are peacefully adopting fundamental reforms of their social systems, the Chinese people have spent a year doing nothing in silence."

Together with Mr Liu, Mr Gao and Mr Zhou were arrested and jailed shortly after the military crackdown. Mr Hou took refuge at the Australian embassy in Beijing but later came out of his own accord.

Mr Gao and Mr Zhou were released but Mr Liu is still in Qingcheng prison, where many political prisoners are held.

Mr Gao said the three were not worried the press conference would be banned as they were just presenting a request to the government in a "legal, peaceful and rational" manner.

"Our move does not violate the constitution nor regulations restricting activities of journalists," he said.

Some analysts said the move would pose a challenge to the government, as any mishandling of the case could easily lead to a revival of public dissent, especially so close to the anniversary of June 4.

In another development, the Chinese army has been told to keep a low profile following reports that Beijing University students have distributed leaflets calling for activities to commemorate June 4.

Reliable sources said that during internal study sessions the military had been told about the students' plan, which was described as a fresh attempt to stir up confrontational sentiments against the government.

Soldiers and their families were also ordered not to go to Tiananmen Square until June 10.

It is not known whether the Chinese government will close the square or ban unauthorised activities on the anniversary.

News Conference Canceled

HK3105042890 Hong Kong AFP in English
0424 GMT 31 May 90

[Text] Beijing, May 31 (AFP)—Three Chinese dissidents cancelled a news conference at the last minute Thursday in which they were to make public an open letter to the authorities calling for the freeing of political prisoners.

Hou Dejian, a Taiwan-born rock singer who was to have met foreign reporters at his Beijing home along with

university professor Gao Xin and economist Zhou Duo announced the cancellation by telephone.

Mr Hou did not explain the decision, but said he was not "worried."

"I have personal affairs to take care of and cannot give the news conference," he said.

A friend at his home, identified only as Liu, said Mr Hou offered his apologies to those invited.

In their letter, the three dissidents called for the freeing of political prisoners including Liu Xiaobo, a university lecturer who joined them in a hunger strike on Tiananmen Square last year.

The letter and the calling of the news conference have been a singular act of defiance against the Chinese communist leadership in the one year since they called out tanks against the pro-democracy movement.

Letter for Release To Be Issued

HK3105013790 Hong Kong SOUTH CHINA MORNING POST in English 31 May 90 p 13

[By Seth Faison in Beijing]

[Text] China's only active dissidents, in their boldest move yet this year, are today planning to release an open letter to ask the nation's leadership to free remaining political prisoners.

The letter specifically urges the release from prison of Liu Xiaobo, the former university lecturer who headed a four-man hunger strike that began on June 2 last year, just two days before Beijing's military crackdown.

It is signed by the other three members of that hunger strike: the recently-released activist Zhou Duo, Taiwan-born pop star Hou Dejian and former university teacher Gao Xin.

Since China officially denies that it holds any prisoners for political reasons, such a call for their release is akin to a minor act of treason and issuing it on the eve of this year's most sensitive anniversary is doubly dangerous.

The letter appears to be a carefully-calculated test of the Government's resolve to keep this year's June 4 both peaceful and silent.

By inviting foreign correspondents to cover the formal release of their letter today, the activities are forcing a dilemma upon the authorities.

If the activists are allowed to go forward officials risk a snow-balling of support from other intellectuals that, once begun, could prove politically unwieldy.

But if the three are arrested the image of stability and calm that China wants to engender will be badly tarnished.

"It's up to the Government now. We've decided what we're going to do," Hou said recently.

Hou's special status—he defected to the mainland from Taiwan with much fanfare in 1983—has given the group some room to manoeuvre, but none of the three seems sure how far it will extend.

"We're all standing under Hou's protective umbrella," added Mr Gao, who was imprisoned for six months until last December.

Their letter—a complete text will be released this afternoon—will ask for the release of all non-criminal detainees who were arrested following last year's crackdown.

People Asked To Refrain From 'Provocative Acts'

HK3105041690 Hong Kong AFP in English
0407 GMT 31 May 90

[Text] Beijing, May 31 (AFP)—The Chinese authorities have asked people in Beijing to refrain from "provocative acts" and to stay away from Tiananmen Square on June 4, Chinese sources have said.

The message has been drilled in for the past few days during meetings in work units and among workers and students as the anniversary of the army crackdown on last year's pro-democracy movement approaches, the sources said.

In most cases, they said, people have been asked to "contribute to the calm and stability" of the capital and to report any suspicious individuals or activities to the police.

Similar warnings were given in early April before the anniversary of the mass democracy movement's start.

In the past year, calm has been assured in Beijing by a large police and military deployment and frequent identity checks and nighttime roadblocks.

The measures, along with thousands of arrests, are officially justified as a "social cleanup" operation before the Asian Games here in September and October.

"Troubles in China would affect the stability of Asia and the world," Qiao Shi, a politburo member and security chief, warned on Wednesday.

Report Claims 11 Executed in Cleansing Campaign

HK3105051090 Hong Kong AFP in English
0502 GMT 31 May 90

[Text] Beijing, May 31 (AFP)—China executed 11 people on Wednesday as part of a campaign to "cleanse" Beijing before the Asian Games here in the fall, official newspapers reported Thursday.

Thousands of people have also been arrested in the campaign, they said.

In passing sentence just before the executions, Judge Ji Shuan warned that no leniency would be shown to any who "perturb social order and public security in the capital and disturb the smooth functioning of the Asian Games" to be held here from September 22 to October 7, the BEIJING DAILY said.

"There can be no going back on this," it quoted Mr Ji as saying.

The 11 men put to death by the traditional method of a bullet to the back of the neck were convicted of murder, rape and robbery, the newspaper said, adding that the harsh verdict showed official determination "to protect the lives and property of citizens" in the capital.

It did not give the ages of the victims but identified some of them as hardened "criminals."

Repeat offender Wu Chengen strangled a Beijing man to rob him of 140 yuan (30 dollars) and a watch, the newspaper said.

Jin Guowang murdered a young woman after attempting to rape her, unemployed laborer Du Yongping knifed someone to death, Shao Gong and Guo Baosheng gangraped a young woman, and Liu Qiusheng stabbed to death a peasant who warned him that he was riding his bicycle the wrong way down a one-way street.

The newspaper also quoted the judge as ordering wanted criminals to surrender and calling on Beijing residents to participate in the law-and-order campaign by turning in suspects.

The campaign, it said, was "warmly received by the masses."

"If the people of Beijing closely cooperate (with the authorities)," the daily said, "our city will be safer, the happiness of its residents will be guaranteed and the superiority of the socialist system will once again be proven."

The official media have reported in recent days the arrests of more than 7,000 "petty offenders and criminals" and the deportation to their home provinces of thousands of people residing in Beijing without the proper permit.

There has been an increase in roadblocks, identity checks and searches, the authorities apparently fearing possible demonstrations as the first anniversary approaches of the June 3-4 crackdown on Beijing's democracy movement.

The English-language CHINA DAILY Thursday also wrote of "the impact being made on the daily life of most Beijingers by the coming Asian Games."

A Beijing mother, it said, experienced "a gust of anger" when she discovered that her four-year-old daughter did not know the name of the panda that is the mascot of the Games.

"She is Pan Pan, remember that," the newspaper quoted the angry mother as saying. "I'll pull you over my knee if you cannot give me the correct answer next time."

Vice Premier Tian Jiyun Inspects Henan Province

HK2905045090 Zhengzhou Henan Provincial Service
in Mandarin 2200 GMT 25 May 90

[Text] Yesterday morning, accompanied by Hou Zongbin, secretary of the Henan Provincial CPC Committee; Cheng Weigao, governor of Henan Province; Zhang Zhigang, member of the Standing Committee of the Henan Provincial CPC Committee and concurrently secretary general of the Henan Provincial CPC Committee; Song Zhaosu, vice governor of Henan; and other provincial party and government leaders, Vice Premier Tian Jiyun inspected a number of flood prevention projects in Henan.

Vice Premier Tian Jiyun shook hands with the cadres and workers working on the flood prevention projects and asked about their work and livelihood.

On behalf of the CPC Central Committee and the State Council, Vice Premier Tian Jiyun expressed heart-felt thanks to all the comrades engaged in flood prevention work.

In the afternoon, Cheng Weigao, commander of the Henan Provincial Flood Prevention Headquarters, and Song Zhaosu, deputy commander of the Henan Provincial Flood Prevention Headquarters, reported on Henan's work to Vice Premier Tian Jiyun.

After listening to the work report, Vice Premier Tian Jiyun made important remarks on the work.

He said that according to the forecast of the state meteorological department, a severe flood might hit areas along the middle and lower reaches of the Huanghe. Therefore, this year's prevention work is of vital importance. On the Huanghe-Haihe Plain, there are 110 million mu of cultivated land, a population of more than 10 million, numerous key enterprises and mines, and an important hub of communications. Therefore, work along the Huanghe has a vital bearing on China's overall economic and political stability. In view of this situation, all areas concerned must implement a flood-prevention responsibility system and carry out extensive education and propaganda work among the people in this regard. All party and government cadres must make every possible endeavor to show concern for and support flood prevention work.

Song Jian Attends Chemical Industry Meeting

OW2805103490 Beijing XINHUA Domestic Service
in Chinese 1039 GMT 22 May 90

[By reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 22 May (XINHUA)—China's chemical industry has made significant contributions to national

defense and to the development of the most advanced technology. Because it supplies almost all of the new materials needed in the manufacture of atom bombs, hydrogen bombs, rockets, satellites, airplanes, and submarines, China is close to the world's advanced level in terms of the most sophisticated technology. State Councillor Song Jian made this assessment while attending the opening of the national conference on scientific and technological progress in the chemical industry.

According to Gu Xianlian, minister of the chemical industry, China has been relying primarily on its own efforts in developing its chemical industry, and it has achieved numerous scientific and technological successes in this area. Compared with the 188 major science and technology awards it won at the national conference of sciences in 1978, the nation's chemical industry has, since the Third Plenary Session of the 11th CPC Central Committee, won 164 national science and technology awards, 40 national invention awards, and 1,095 science and technology awards given by the ministry. These scientific and technological successes have powerfully accelerated the development of the chemical industry and substantially narrowed the gap between China and industrially advanced countries, making China's chemical industry the sixth largest in the world.

Gu Xiulian said: On the basis of relying on our own efforts, China has been making positive efforts in bringing in and assimilating advanced foreign technology, thus constantly upgrading the level of its technological development. From 1978 to 1988, China's chemical industry signed 1,671 contracts for importing technology which, after having been assimilated, produced a great variety of new technology. During this 10-year period, the nation also invested a total of 30.7 billion yuan in rebuilding over 54,000 chemical enterprises, which brought about an initial change in China's chemical industry and made China's chemical products more competitive on the world market.

It is reported that, through the popularization and application of all kinds of technology, China's chemical trades, such as those producing chemical fertilizer, insecticides, dyes, paints, plastics, rubber goods, and precision chemical industrial goods, have been playing a significant role in supporting the nation's economic development.

Song Ping Visits Chemical Industry Exhibition

OW2805082790 Beijing Television Service in Mandarin 1000 GMT 25 May 90

[From the "National News Hookup" program]

[Text] [Video shows Song Ping, Wang Bingqian, and others visiting an exhibition, followed by shots of some of the exhibits including products, pictures, diagrams, and installation models] On the evening of 24 May, Song Ping, member of the Standing Committee of the CPC Central Committee; Wang Bingqian, state councillor; Gu Mu, vice chairman of the National Committee of the

Chinese People's Political Consultative Conference; and other leading comrades visited a national exhibition featuring major scientific and technological achievements in the chemical industry.

The exhibition reviews rather extensively the development of the chemical industry as well as its scientific and technological achievements in recent years. It shows the striking achievements made by various branches of the chemical industry in promoting scientific and technological advances.

Song Ping and other leading comrades looked carefully at the exhibits in the sections on agricultural chemicals, basic industrial chemicals, new chemical materials, and rubber products. They highly evaluated the chemical industry's basic role in the national economy as well as its role in supporting agriculture, other industries, and national defense, and in improving the people's daily life. They expressed the hope that the broad masses of scientists, technicians, staff members, and workers in the chemical industry will continue to work hard and make new contributions to promoting scientific and technological advances and to developing the chemical industry to meet the needs of national economic development.

Song Ping Sees Young Heroes' Monument Unveiled

OW3005121790 Beijing XINHUA in English 1148 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—A monument to young heroes was unveiled at Beijing's Yuyuantan Park today, with 3,000 Young Pioneers present at the ceremony.

The 15 m steep monument features a fluttering red scarf. It is surrounded by four sculptures depicting young heroes at various stages of China's revolutionary history.

Song Ping, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, attended the unveiling ceremony. He encouraged the Young Pioneers to take the revolutionary torch from the older generation and model themselves after young heroes to carry on the socialist cause.

Chen Junsheng Announces Yangtze Valley Project

HK3105023690 Beijing CHINA DAILY in English 31 May 90 p 1

[By staff reporter Liang Chao]

[Text] Establishing an economic corridor along the Yangtze River is being viewed as the "centre-line of China's economic strategy."

This corridor that links central and southwest China to the most developed eastern coastal areas is considered of vital importance to the development of the national economy in the near future, officials say.

The project will exploit the river's superior resources and take advantage of the economic facilities established there over the last four decades, a senior official of the State Council said.

Chen Junsheng, State Councillor, introduced the plan yesterday to 300 government officials and scientists at a conference, in Beijing held by the Leading Group of State Water Resources and Soil conservation.

Noted experts and officials from scores of central government ministries and special commissions representing 18 provinces along the Yangtze River valley are in Beijing to examine the plan this week.

The plan, titled "The Essentials of a Comprehensive Plan for the Utilization of the Economic Resources of the Yangtze Valley," is the latest revision of the idea initiated in 1959.

Recent legislation requires plans to develop China's seven largest rivers to be submitted to the State Council for approval, Chen said.

The revised plan focuses on the following major aspects:

- Upgrading flood control facilities in the river to withstand once-in-a-century floods and in its major tributaries to withstand once-in-20-to-50-year floods;
- Developing 132 million kilowatts of hydroelectric power, mostly from the river's upper reaches. An estimated 117 million kilowatts will be used within the valley, nearly 60 percent of its total hydropower by the year 2030;
- Improving navigation of the river itself and 31 of its tributaries by the turn of the century and building two canals from Beijing to Guangzhou;
- Increasing irrigated farmland from the present 2 million hectares, or 62 percent of the areas' total, to 17 million hectares, or 72 percent of the total, by the year 2000;
- Controlling soil erosion in 48 percent of the area, 18,000 hectares, while increasing forest cover by 18 percent; and,
- Diverting 68 billion cubic metres of water from the Yangtze through four channels to ease water shortages in north and northeast China;

With a population of 350 million, the Yangtze's watershed covers 1.8 million square kilometres, nearly one-fifth of the country.

Although the river valley accounts for 26 percent of the country's total farmland, it yields 40 percent of China's total output of grains.

Official statistics from 1985 indicate the valley produced about half of the country's total output value of industry and agriculture.

Li Tieying Meets Hong Kong Academic Delegation

OW2705011790 Beijing XINHUA in English
0800 GMT 26 May 90

[Text] Beijing, May 26 (XINHUA)—Li Tieying, state councillor and minister in charge of the State Education Commission, met with a delegation from Hong Kong Polytechnic here this afternoon.

Li and delegation leader J.L. Clark, who is director of Hong Kong Polytechnic, agreed in an hour-long discussion that more efforts should be made for academic exchanges between universities on the mainland and in Hong Kong.

Li told the visitors that he wished to see more cooperation in teaching, research and personnel exchanges and training. This would be beneficial to stability and development of the mainland and Hong Kong, he added.

Li Tieying Speaks at Census Meeting 19 May

OW2805135890 Beijing XINHUA Domestic Service
in Chinese 1338 GMT 21 May 90

[By reporter Zhu Yu (2612 3768)]

[Excerpt] Beijing, 21 May (XINHUA)—Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and director of the Leading Group for the Fourth Population Census under the State Council, inspected on 19 May the progress of the population census work in Changping County of Beijing City.

Li Tieying said: This population census work is the largest social mobilization in peace time and it also is the largest in scale in the world. It involves each individual and family. Doing a good job in this census is an important yardstick for testing grass-roots party building and grass-roots work.

Li Tieying continued: It is necessary to pay attention to the work of propaganda and mobilization when carrying out the population census. A comprehensive education campaign for urban and rural residents on population census should be launched before 1 July, when formal registration will begin. Census workers must go to plants, mines, and enterprises, as well as to party and government organs and schools to explain in detail the necessity of and the concrete measures to be used in conducting the population census.

While talking about the quality of the census work, Li Tieying said: We must make sure that we can make it a success. All districts must strictly guarantee the quality of the census. We cannot afford to take it lightly. We will not do a job that falls short of expectations. When the error rate of the census registration of a locality exceeds the standard permitted by the government, the locality should immediately conduct the census once again.

Li Tieying inspected the population census work in Nanzhao village and Nankou Township in Changping County and was briefed on the preparatory work for the

population census by leaders from counties, villages, and townships. [passage omitted]

State Council Meeting Views Ocean Pollution

OW2705112590 Beijing Domestic Service in Mandarin
0930 GMT 25 May 90

[From the "National Hookup" program]

[Text] According to a XINHUA report, participants in the 61st executive meeting of the State Council discussed and adopted in principle the draft regulations of the PRC on preventing pollution of the ocean by coastal construction projects and the draft regulations of the PRC on preventing pollution of the ocean by contaminants discharged from land.

The participants in the meeting said: The Law of the PRC on the Protection of the Marine Environment has played an active role in preventing pollution of the ocean as a result of coastal construction projects. However, along with the progress made in the reform and opening up, and with the economic development in the coastal region, there has been a rapid increase in the number of construction projects in the coastal region. These projects pose a latent threat to the offshore environment and ecology which already have been contaminated to varying degrees.

In China, the discharge from land constitutes the main source of pollution in the ocean. There are 80,000 industrial and mining enterprises along China's coastline. According to a standardized computation, pollutants discharged by these enterprises account for at least 80 percent of the total offshore pollutants.

In order to strengthen the supervision over coastal construction projects, to strictly control new pollutants, to prevent and control the existing contaminants discharged from the land, and to protect and improve the oceanic environment, there is a pressing need for formulating regulations on preventing the pollution of the ocean by coastal construction projects and on preventing the discharge into the ocean of contaminants from land, on the basis of the Law of the PRC on the Protection of the Ocean Environment.

The participants in the meeting decided that these two sets of draft regulations will be promulgated by the State Council after the necessary revision.

Of the 14 members of the State Council Executive, nine attended today's meeting while the other five requested leaves of absence.

Reform of Rural Education Lauded

OW3105120990 Beijing XINHUA in English
1145 GMT 31 May 90

[Text] Changsha, May 31 (XINHUA)—While students in some of China's rural areas are dropping out of school

to make money, young people in Binxian County vie with each other to enter schools at various levels.

This is because students in such schools can learn one or two special skills which will probably work wonders for the rural economy.

Binxian County is an underdeveloped agricultural area in central China's Hunan Province. Of the 320,000 people in the county, 292,000 live in rural areas, and over 95 percent of primary and secondary school students are children of farmers.

To thoroughly shake off backwardness and poverty, the county magistrates decided in 1984 to reform the existing rural education system with the aim of training more educated people who can change the face of their towns and villages with their wisdom and knowledge.

The reform program consists of three aspects: expansion of secondary vocational and technical schools, adjustment of the curricula of ordinary schools and development of adult education.

Establishment of vocational and technical schools was placed on top of the county's agenda.

Four schools specializing in agricultural technology, medicine and farm machinery maintenance have been set up in recent years. The schools recruit students from among junior and senior middle school graduates. The length of study ranges from one to three years. After graduation they will return to their respective hometowns and serve as the backbone force in rural economic development.

To date 5,800 students majoring in crop cultivation, animal breeding, aquatic product cultivation, architecture, machinery and household electrical appliance repair, tailoring and accounting have graduated from such schools and are playing a vital role in rural economic construction.

Two young people, a brother and his younger sister, in Jintian village, are considered typical examples of graduates from the new technical schools.

The two youngsters built a pig farm with 2,000 yuan of their savings and 7,000 yuan in loans from their village credit co-operative after they graduated from a technical school for farmers in 1988.

They succeeded in shortening the pig growth period from one year to five months by meticulous breeding and adoption of scientific fodder prescriptions learned at school.

In the following year they planted sugarcane, water melons and orange trees, and dug a pond to breed fish. At the year's end, they obtained over 10,000 yuan in net profit after they had repaid all the loans.

With the desire of achieving common prosperity, the two young people enthusiastically passed on to fellow villagers what they learned at the school.

Meanwhile, the county government attaches great importance to adult education and has added technical classes in rural production techniques in ordinary secondary schools.

To date, all the 26 townships in the county have built cultural and technical schools for farmers. More than 75,000 farmers, or 57 percent of the total adult farmers in the county, have attended such courses, which are broken down into 50 categories including techniques for rapid tree growth, preservation of fresh oranges, raising fish in rice fields, edible fungus cultivation, tea processing and building.

The multilevel education system has greatly boosted economic development. The county earned 206 million yuan in gross industrial and agricultural output value last year, 50 percent more than in 1983, the year before the reform of the rural education system. The number of households engaging in specialized production reached 5,687, double the 1983 figure. In the meantime, farmers' per capita income rose from 256 in 1983 to the present 527 yuan.

The county's success has attracted the attention of the State Education Commission, and it was cited as a pace-setter in rural educational reform at a meeting attended by leading officials and educators from 18 provinces and autonomous regions.

Wang Mingda, deputy minister of the State Education Commission, described such vocational and technical schools as "the cradle of new type of farmers".

Provincial Regions Demand Special Zone Privileges

HK2805022090 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
28 May 90 p 9

[By Geoff Crothall]

[Text] Economic warfare is breaking out again in China as provinces and municipalities compete to attract foreign investment in the wake of the central government's approval of the Pudong development zone in Shanghai.

Within weeks of the Pudong announcement, officials in other coastal provinces started their counterattack by proposing substantial concessions to foreign, and in particular Taiwanese investors.

The municipalities of Zhuhai, Guangzhou, Xiamen, Fuzhou, Shantou and Wenzhou have all dispatched delegations to Hong Kong in the last few weeks in a bid to pre-empt the highly publicised visit of Shanghai's reformist mayor, Mr Zhu Rongji, to the territory on June 10.

Officials in the northern posts of Tianjin and Dalian have sent delegations to Beijing to demand their cities be allowed to set up large-scale development zones along the lines of Pudong.

Guangdong—although still by far China's major centre of foreign investment and trade—is certainly feeling threatened by all the attention being given to Shanghai and has launched a campaign to try and ensure it stays number one.

Provincial officials hope to capitalise on Guangdong's traditional links with Hong Kong to create a "major economic base" linking Shenzhen, Huizhou and Guangzhou that would rival Pudong as an individual and commercial centre.

Huizhou, located to the northeast of Shenzhen, is forecast by local officials to become another Shenzhen within 10 years.

Huizhou is the site of the U.S.-based Panda Motor Corp's US\$800 million vehicle plant, while a massive port development at Autou is planned to link the city with the outside world.

Deputy mayor of Guangzhou, Mr Lei Yu, recently announced that a number of Hong Kong tycoons, including New World Boss, Mr Cheng Yu-tung and Mr Henry Fok were intending to make substantial investments in the area.

The New World Group plans to invest "several hundred million U.S. dollars" in power, cement and highway projects, Mr Lei said.

He was confident more Taiwanese businessmen would set up enterprises in Guangdong despite the fact that the island's leading industrialist, Mr Wang Yungching, had chosen to establish a major petro-chemical complex in the neighbouring province in Fujian.

Guangzhou has approved a number of preferential policies for Taiwanese investors, but the boldest move so far to lure Taiwanese away from Fujian and Shanghai has come from the special economic zone of Zhuhai.

A special zone has been established in the city's western district offering land use rights for 70 years-gratis for industrial users.

Taiwanese investors will be exempt from local income tax for 10 years, while other foreign investors enjoy a six-year exemption.

Following the visit of Zhuhai mayor, Mr Zhu Rongji, to Hong Kong, Zhuhai will host a provincial trade and investment conference to be attended by over 100 Taiwanese delegates.

Meanwhile, the coastal city of Ningbo, to the southeast of Shanghai is soon to announce the establishment of a 60 square kilometre industrial zone around Beilun harbour.

Foreign investors will be able to take out 50-year transferable land leases which can be mortgaged to finance construction work.

The fastest growth in foreign investment in the city had come from Taiwan, a local trade official said, this included a U.S.\$100 million chemical engineering plant awaiting approval.

"A lot of Taiwanese are moving up to Fujian and Ningbo. Being the birthplace of (former nationalist leader) Chiang Kai-shek obviously has its attractions," the trade official said.

Railway Security Organs Crack Down on Crimes

HK2705023690 Beijing RENMIN RIBAO in Chinese 20 May 90 p 1

[Report by Fang Shusheng (2075 2885 3234) and Wang Wenru (3769 2429 0320): "Railway Public Security Organs Crack Down on Crimes"]

[Text] Beijing, 19 May (RENMIN RIBAO)—Since late March, the railway public security organs have concentrated forces on attacking "bandits committing crime on trains and highways" and achieved marked results. In the 40 days to the end of April, they arrested 3,200 criminal offenders, crushed more than 190 gangs, cracked over 1,700 criminal cases, and recovered stolen money and goods totaling over 1.4 million yuan.

In view of the crime committed by gangs, their unexpected appearance and disappearance, and cruel means applied, the railway public security organs all over the country strengthened station and train control, stepped up examination, and organized large numbers of policemen to check stations and trains. Police on duty, on patrol, on trains, and in stations coordinated with each other to conduct system reconnaissance and pursue the escaped criminal offenders.

When the Beijing-Guangzhou train No. 15 was between Yuantan and Guangzhou in the small hours of 27 March, five vagabond criminals first set up a table to gamble and then held knives to rob the passengers. Informed of the robbery, the police on duty and those on patrol in the train immediately arrived and arrested four evildoers on the spot and seized all the stolen money, gambling devices, and lethal weapons.

In the struggle against "bandits committing crime on trains and highways," the railway public security organs acted in close cooperation with the local public security organs, which enormously increased the fighting capacity as a whole. Since the beginning of this year, robbery cases occurred frequently on the Beijing-Shanghai passenger trains. The public security bureaus of the Beijing, Jinan, and Shanghai railway bureaus cooperated with each other and released some 100 police to form nine special groups for examining cases. So far they have arrested 180 vagabond criminals; cracked over 60 train robbery, injury, and theft cases including 27

major cases; and seized a number of lethal weapons and stolen money totaling more than 100,000 yuan, effectively maintaining the order of the Beijing-Shanghai passenger trains.

Forum Discusses Handling Masses' Letters, Visits

OW2905061890 Beijing XINHUA Domestic Service in Chinese 1206 GMT 25 May 90

[By RENMIN RIBAO reporter Jia Jianzhou (6328 1696 5297) and XINHUA reporter Yuan Wenzhong (5913 2429 1813)]

[Text] Jinan, 25 May (XINHUA)—The Central Discipline Inspection Commission sponsored a forum in Jinan from 23 to 25 May. The forum, attended by responsible persons from discipline inspection commissions of some provinces, discussed how to implement the "Decision of the CPC Central Committee on Strengthening Ties Between the Party and the Masses of People" adopted at the Sixth Plenary Session of the 13th CPC Central Committee and how to further strengthen the work of discipline inspection commissions in handling letters and visits from the masses.

Statistics show that last year the discipline inspection commissions at various levels throughout the country received and handled nearly two million letters and visits from the masses both inside and outside the party. This enabled them to provide leading party and government organs at various levels with information about party style, party discipline, and other matters and to give clues to discipline inspection departments as well as to political and legal affairs departments in investigating cases of discipline violation and law offenses. They also helped the masses to solve a number of practical problems.

The comrades expressed the following opinions at the forum: The work of handling letters and visits from the masses is a major part of the party's work in dealing with the masses. It is an important channel for the party to hear the opinions, suggestions, demands, and appeals from the masses and to obtain information in various fields. It is also a major channel through which the masses can supervise party organizations and those cadres who are party members. Meanwhile, through this channel, the party organizations can receive reports and accusations of irregularities from the masses and rely on the masses to enforce discipline and investigate cases of discipline violation. Cadres of discipline inspection commissions assigned to receive letters and visits from the masses should inherit and carry forward the party's fine tradition of forging ties with the masses and make an earnest effort to do this work successfully.

The Central Discipline Inspection Commission put forth the following demands at the forum: First, leading comrades of discipline inspection commissions at all levels should regard the work of handling letters and visits from the masses as a really important task and put it on their work agenda. They should take concrete steps to

strengthen the leadership over this task and support it. Second, it is necessary to use various methods to further unclog and open wider the channels through which cadres handling letters and visits from the masses can maintain contacts with the masses. It is necessary to make it convenient for the masses to report problems, express their views, and take part in the administration and discussion of state affairs. Third, maintaining the situation of stability and unity and ensuring social stability should be regarded as a task of first priority to be carried out by discipline inspection commissions in handling letters and visits from the masses. They should earnestly communicate with the masses and do ideological and political work when receiving people who have come to visit them. Fourth, it is necessary to earnestly deal with reports and accusations of irregularities and appeals within the party. Efforts should be made to strictly enforce party discipline and give full scope to the supervisory role played by the masses through their letters and visits. Fifth, it is necessary to establish and further improve various regulations and rules so that the demand for forging close ties with the masses will be met through the implementation of these regulations and rules.

Among those present at the forum were Fu Jie, member of the Standing Committee of the Central Discipline Inspection Commission, as well as leading comrades of discipline inspection commissions and responsible persons of accusation- and appeal-handling offices from Shandong, Jiangsu, Hebei, Henan, Liaoning, and Shaanxi.

970,000 Officials Inspect Grass-Roots Units

OW3005093490 Beijing XINHUA in English
0732 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—Chinese central and local party and government organs have sent 970,000 officials to work and make investigations in grassroots units since early this year, the "PEOPLE'S DAILY" reported today.

They solicited opinions, suggestions and criticism from people in rural areas, factories, residential communities and schools, and explained the party's and government's principles and policies to them.

They also helped grassroots units solve problems.

The Central Committee of the Chinese Communist Youth League sent 19 teams to grassroots units in 22 provinces and autonomous regions to help young people enhance their understanding of and confidence in the party and government.

Officials from Henan Province's Xuchang, Sanmenxia and Pingdingshan Cities went to villages to help draw up village regulations, mediate disputes and crack down on gambling.

In his investigation tour of a remote revolutionary base area, an official from Fengshun County in Guangdong Province helped the local government get and lay water pipelines to make running water available to the local people.

The paper reported that some provinces have made it a regular practice to send officials to work in grassroots units.

Ministry Urges Mass Organizations To Register

OW3005090690 Beijing XINHUA in English
0556 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—An official of the Chinese Ministry of Civil Affairs has urged all mass organizations to register at civil affairs department offices in accordance with the state's regulations on the registration and administration of social organizations, according to today's "PEOPLE'S DAILY".

The regulations came into effect last October, but many people are still unaware of the legal necessity to register, said Liu Baoqi, director of the mass organizations department of the ministry.

Liu explained that mass organizations include societies, federations, research institutes, friendship and commercial societies. But they do not include government departments, enterprises, political parties or mass organizations within enterprises.

XINHUA Features Information on Nationalities

On Lisu Nationality

OW2505183690 Beijing XINHUA in English
1446 GMT 25 May 90

[Installment 32 in the XINHUA series of articles "Knowledge About China:" "Lisu Nationality"]

[Text] Beijing, May 25 (XINHUA)—The Lisu nationality, one of China's 56 nationalities, has a population of about 480,000 people, living in compact communities in the Nuijiang Lisu Autonomous Prefecture in southwest China's Yunnan Province. They have their own spoken language, for which a written form was created only in 1957.

The ancestors of the Lisu people lived on both sides of the Jinshajiang River, the upper reaches of the Yangtze River, in the eighth century. By the middle of the 16th century they began to migrate towards the Nuijiang area because of war in their home territory.

The Lisu people traditionally engaged in agriculture but some went out hunting and gathering. Before 1950 part of the primitive communal system still remained.

In the past 30 years the Lisu area has developed rapidly, especially in the field of industry. About half of the Lisu people are workers now.

The Lisu are good at singing, dancing and reciting poems. They sing and dance to their hearts' content on occasions of wedding, hunting, building new houses or harvesting.

During festivals they hold archery competitions and poetry recitals. The number of participants sometimes reaches several thousand.

The Lisu people use a natural calendar. They use the regular natural phenomena to classify a year into 10 months such as the "flower season" and the "bird singing time." They have many festivals, including the bath pool fair, daogan festival, harvest festival and new year festival.

On Lhoba Nationality

OW2505182990 Beijing XINHUA in English
1457 GMT 25 May 90

[Installment 33 in the XINHUA series of articles "Knowledge About China:" "Lhoba Nationality"]

[Text] Beijing, May 25 (XINHUA)—With a population of more than 2,000, the Lhoba people mainly live in the southeast part of Tibet Autonomous Region.

The Lhoba, one of China's 56 nationalities and one of the smallest nationalities in terms of population, have their own spoken language, no written form. They use the Tibetan language on the whole.

The Lhoba people formally became a separate nationality in 1965. "Lhoba," a name given by the Tibetan people, means southerners.

The Lhobas mainly live on farming, supplemented by gathering and hunting. They respect brave hunters. The boys start practising shooting with their parents at only seven or eight. The grownup men are all good hunters, and the big game is usually distributed among villagers.

The Lhobas observe an age-old special way of entertaining guests. The host would first take a sip of wine and have a bit of ice before inviting the guests to the food. This is intended to show sincerity.

The area where the Lhobas inhabited is close to mountains, rivers and forests. It is known for the beautiful scenery, abundant wood and herbal medicines.

The Lhobas are also gifted in making bamboo products. Many of their daily used articles such as bowls, basins, baskets, are all made of bamboo.

The Lhoba people are also noted in history. They took part in fighting against the foreign invaders many times.

They have a rich store of folktales and legends handed down orally. On festivals, they sing and drink. Using peculiar tunes, they sing all night long in dialogue form, telling age-old legends.

On Manchu Nationality

OW2805083490 Beijing XINHUA in English
0719 GMT 28 May 90

[Installment 34 in the XINHUA series of articles "Knowledge About China:" "Manchu Nationality"]

[Text] Beijing, May 28 (XINHUA)—The Manchus are the descendants of the Nuzhen people, who established the Jin Dynasty in the 12th century.

In 1644 the Manchu Army overthrew the Ming Dynasty and established a new one named Qing.

The Manchu people have their own spoken and written language. After the Qing Dynasty was founded, they began to have more and more contacts with the Han people and learned to use the Han language. Nowadays, only a few aged people living in remote areas of Heilongjiang Province can speak the Manchu language.

Traditionally the Manchu people are good at horse racing and archery. The men used to wear their hair in long plaits hanging down their backs. The typical Manchu woman's dress is the qipao—a sheath skirt with a slit. After the founding of the Qing Dynasty, the Manchu people began to adopt the clothing style of the Han people. The qipao, however, has been adopted by Chinese women.

At present, the Manchu nationality has a population of over 4.3 million, most of whom live in China's Northeast provinces.

About 80 percent of the Manchu people are engaged in farming.

The Manchus have made great contributions to Chinese culture. Cao Xueqin, author of the masterpiece, "A Dream of Red Mansions", noted linguist Luo Changpei, writer Lao She, Beijing opera actor Cheng Yanqiu and Comedian Hou Baolin are all of Manchu nationality.

Drive for More Foreign University Students Urged

HK3005015390 Beijing CHINA DAILY in English
30 May 90 p 1

[By staff reporter Zhang Lin]

[Text] The State Education Commission aims to train more graduate or advanced students from other countries, especially those from Third World countries, CHINA DAILY has learned.

The nation's 12 universities, including the prestigious Qinghua and Beijing Universities, will for the first time open 13 masters programmes and advanced training courses for graduate students or advanced trainees from the Third World this year.

These classes and programmes will help train foreign students in electronics, computer science, textile engineering, physics, international relations, paediatrics,

acupuncture, and hydraulic engineering, most of which will be taught in English to keep abreast of latest developments.

In consideration of specific conditions in some African countries, China will also open graduate or advanced training programmes in French.

The foreign students, while taking some Chinese language courses to make their life here easier, will save a lot of time by being instructed in their own languages in their specialties. This replaces the former practice of students spending at least one year mastering Chinese before tackling their major academic work.

While continuing to accept and train foreign students for other programmes, and deeming this an integral part of the Government's open policy, China is making some adjustments in this year's recruitment of foreign students with the aim of providing more efficient training to satisfy the needs of the sponsoring countries, said Zhao Yongkui, deputy director-general of the Department of International Co-operation with the Education Commission.

The main change will be to ensure the quality of those enrolled and to raise the instruction level with a gradual shift in emphasis towards advanced training or graduate degrees, Zhao told CHINA DAILY.

This autumn, 2,000 foreign students are expected to come to China under inter-governmental cultural and educational exchange agreements, said Zhao Yongkui.

Every year, 10,000 foreign students study in more than 120 universities and colleges in 30 major cities across the country.

The number of specialties open to foreign students has increased from only the Chinese language, to 300 areas of science, technology, agriculture and medicine.

QIUSHI No 11 Table of Contents Published

HK3105095990 Beijing RENMIN RIBAO in Chinese
30 May 90 p 8

[Table of Contents for QIUSHI No. 11, 1 Jun 1990]

[Text] Article by Wang Bingqian: "Increasing Economic Results Is the Fundamental Way To Bring About a Benign Cycle of the National Economy"

Article by Ismail Amat and Zhao Yannian: "Continue To Advance Along the Correct Road to Resolving Domestic Nationality Problems"

Article by Liu Xiuming: "Commenting on Jin Guantao's Conception of History of 'Ultra-Stable Structure'"

Article by Zhang Jiong: "The Question of the World Outlook of Writers and Artists"

Article by Hu Ping: "Energetically Enliven Commodity Circulation, Promote a Benign Cycle in Economy"

Article by Liu Minxue: "Energetically Develop the Individual and Private Economy With Public Ownership as the Dominant Factor"

Article by Wu Jiaxun: "Historic Experience Is Worthy of Attention—Reviewing 'Contemporary China' Book Series"

Article by Zhao Zhongsan: "What Is the Significance of Studying Marxist Philosophy in the New Period?"

Article by Lu Ding: "What Do We Say Marxist Philosophy Is Scientific World Outlook and Methodology?"

Article by Gua Tian: "What Should We Do When We Go Down?"

Science & Technology

Jiang Zemin, Others Hear Scientists' Views

OW3105081790 Beijing XINHUA Domestic Service
in Chinese 1353 GMT 30 May 90

[By reporters Shi Baohua, He Ping]

[Text] Beijing, 30 May (XINHUA)—The CPC Central Committee and the State Council sponsored a seminar of scientists from 26 through 29 May. On the afternoon of 29 May, Jiang Zemin, Li Peng, Qiao Shi, Yao Yilin, Song Ping, and other party and state leaders invited the 24 scientists attending the seminar to Zhongnanhai's Huairan Hall to hear their views and proposals on how to expedite China's scientific and technological development and revitalize the national economy.

Jiang Zemin pointed out: All scientists and technicians in the country, no matter whether they are old, middle-aged, or young, are a precious wealth of the party and the state and constitute a major force in the country's socialist construction. He urged scientists and technicians to shoulder the great historical mission of building a stronger China by carrying forward their patriotic traditions, continuing to dedicate themselves to the country, seeking truth in a down-to-earth manner, and producing new ideas.

Comrade Li Peng chaired yesterday's meeting. Li Tieying, Wen Jiabao, Wang Bingqian, Song Jian, and others were present at the meeting.

The four-day seminar was held at the proposal of Comrade Jiang Zemin. Comrade Li Peng gave important instructions in connection with the seminar. The holding of the seminar bore testimony to the great importance which the third generation central leadership, with Comrade Jiang Zemin at the core, attaches to science and technology, its respect for scientists, and earnest expectations for the nation's scientists and technicians.

The scientists attending the seminar came from three sectors: economic construction, research and development of high and new technology, and basic research. The oldest of them is 78, and the youngest 28.

Speaking at yesterday's meeting, pedologist Shi Yuan-chun, remote sensing expert Shen Shitu, chemist Wang Fosong, medical expert Wu Jieping, scientist-entrepreneur Jin Yanjing, superconductor physicist Zhao Zhongxian, biologist Chen Zhangliang, and nuclear physicist Hu Renning, freely expressed their views and offered their suggestions regarding the training of proficient scientists and technicians, investing in scientific and technological research, and participating in international scientific and technical cooperation and exchange programs. They indicated that scientists should live up to the expectations of this age and contribute to the second and third strategic objectives of modernizing socialist China and displaying a greater spirit of self-reliance and hard struggle.

After hearing the scientists' remarks, Jiang Zemin gave an important speech. First, he spoke highly of Chinese scientists and fully endorsed their remarkable contributions to the Chinese people and civilization. He said: Scientists have been playing a tremendous role in building a stronger China, and the country and people will forever give thanks for their historical services and enterprising spirit which will go down in history forever.

Jiang Zemin pointed out: Comrade Deng Xiaoping's judgement that modern science and technology is the first productive force is a scientific observation based on basic Marxist theories. To become a stronger country, China must fully understand the great role played by science and technology and seize the current opportunities provided by the new technological revolution. We can say that there will be no socialist modernization without modern science and technology. This being the case, we must call upon all party members and people throughout the country to heighten their awareness of the importance of science and technology and respect knowledge and proficient personnel, just as Comrade Deng Xiaoping has repeatedly pointed out. Meanwhile, we should draw up correct policies and render more services essential for scientific and technological development.

Commenting on issues relevant to training proficient scientists and technicians, investing in science and technology projects, and participating in international scientific and technological cooperation, Jiang Zemin said: Problems relevant to these issues can be resolved through upholding the reform and open policies and improving all the supporting policies and measures. Currently, we must provide stronger leadership in these areas, and the party Central Committee and the State Council should take the initiative in this regard. All principal party and government leaders should earnestly take charge of scientific and technological development, gradually increase input into science and technology research, and be determined to achieve the target that investment in science and technology will be slightly higher than the growth in the gross national product. Meanwhile, all party policies toward intellectuals must be firmly carried out; problems caused by shortages of younger scientists and technicians should be attended to;

measures should be taken to gradually improve scientists' living conditions and pay; and efforts should be made to promote international science and technology cooperation and exchange. He said that the many problems relevant to science and technology can be resolved, step by step, as long as there are suitable policies.

Jiang Zemin said: We should see things dialectically and combat one-sided thinking, so that we can properly handle the relationship between theory and practice, between basic research on the one hand and applied research and developmental research on the other, between self-reliance and bringing in foreign technologies, and between economic results and social benefits so that they all will be properly attended to. During the course of socialist modernization, Jiang Zemin said the party and the people have high hopes on scientists, hoping that they can make even greater contributions to the country by carrying forward their glorious patriotic traditions and displaying the spirit of seeking truth, producing new ideas, cooperating with each other, and dedicating themselves to the cause of science.

Li Peng indicated that he fully agreed with Jiang Zemin. He said: The seminar was a success and it achieved the anticipated objective of providing an opportunity for scientists to exchange views with the party and Government.

Li Peng said: Achieving the four modernizations requires that investments in science and technology must be increased gradually. This will be an established policy from now on. Of course, investments can be increased through many channels, central, local, and government, as well as enterprises themselves. Relevant policies should be drawn up or improved so that mechanisms can be devised for encouraging enterprises to seek self-development and for encouraging scientific research and dissemination of research results. Meanwhile, research organizations themselves should pay attention to applying their achievements in industrial and agricultural production so that more industries with new technology can be established and technology can be turned into productive forces.

On improving the working and living conditions of scientists and technicians, Li Peng said: An across-the-board improvement can only be attained gradually along with economic development in the country. Under the current situation, only scientists and technicians who have had remarkable contributions can receive better pay.

Li Peng added: Scientific and technological research should be integrated with the state's five-year plan and 10-year planning, and it should be compatible with the national economic development. We should correctly handle the relationship between basic research on the one hand and applied research and technological development on the other, so that scientific and technological research can serve the four modernizations more effectively.

The meeting lasted nearly four hours.

Also present at yesterday's meeting were optical expert Chang Zenghu, material scientist Shi Changxu, optical fiber communication expert Li Guanglin, rocket expert Ren Xinmin, computer expert Jin Yilian, radar expert Xia Wenxiang, physicist-chemist Tang Youqi, nuclear physicist Wang Dazhong, power expert Ni Yixin, plant cell engineering expert Hu Daofen, coal mining machinery expert Fan Weitang, automobile technology expert Hu Liang, optical expert Wang Daheng, petrochemical expert Hou Xianglin, nuclear physicist Xue Minglun, and scientist-entrepreneur Liu Chuanzhi.

Song Ping Visits Chemical Industrial Exhibition

OW3105024790 Beijing XINHUA Domestic Service
in Chinese 1329 GMT 24 May 90

[By reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 24 May (XINHUA)—While viewing a national exhibition on advanced science and technology in chemical industry, Song Ping, member of the Standing Committee of the Political Bureau of the Communist Party of China, hailed the great achievements made by China's chemical industry in advanced science and technology.

In the national exhibition on advanced science and technology in chemical industry held in Beijing, over 1,000 exhibits showed the current technological achievements and production techniques of China's chemical industry. In the past 10 years, the chemical industry in China received 42 state invention awards, 175 state advanced awards in science and technology, and 1,013 advanced awards in science and technology at the ministerial level. The quantity and production techniques of the major products in China's chemical industry already have approached the internationally advanced level.

As a former graduate in chemical engineering from Qinghua University, Song Ping inquired in detail about the conditions of production facilities in the chemical industry of our country. After hearing that outstanding contributions by China's chemical industry in advanced space technology, such as satellites and rockets, were made for catching up with and overtaking world standards, Song Ping happily wrote: Develop the chemical industry for national defense and serve to strengthen the national defense.

Those who came to visit today's exhibition were Wang Bingqian, state councillor, Gu Mu, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, and the responsible persons of the relevant ministerial committees of the State Council, the Communist Youth League Central Committee, and the Beijing Municipality.

Military

Editorial on Ties Between PLA Officers, Men

HK3105100690 Beijing JIEFANGJUN BAO in Chinese
17 May 90 p 1

[Editorial: "Carry Forward Tradition of Cherishing Soldiers; Keep Close Ties Between Officers and Men"]

[Text] Unity between officers and men, with soldiers respecting cadres and cadres cherishing soldiers, is a fine tradition of our Army. At present, maintaining and carrying forward this fine tradition is of great significance in implementing the decision by the Sixth Plenary Session of the 13th CPC Central Committee, and the spirit of the all-army political work conference, and guaranteeing a high degree of stability and unity in our Army.

The decision by the sixth plenary session of the party central committee pointed out: "The masses of people constitute the source of our party's strength and the foundation for our victories. Whether we can consistently maintain and develop the flesh-and-blood ties with the masses of the people is an issue with a direct bearing on the rise or decline and the life or death of our party and our state." For our Army to carry out the central decision, we should always maintain unity between officers and men, and our cadres should show loving care for soldiers, cherish soldiers, and keep close relations with them. As long as our cadres at all levels really love, cherish, and care for soldiers, really treat soldiers as masters in army construction, and bring their initiative and creativity into full play, then the soldiers will show double respect for cadres and will more enthusiastically support our party and love our Army.

Keeping unity between officers and men and cherishing soldiers demonstrates the character and principle of our Army. Our's is a new-type People's Army led by the CPC and armed with Marxism-Leninism-Mao Zedong Thought. The Army always stands closely together with the Chinese people and serves the people wholeheartedly. This is the sole principle of our Army. The character and principle of our Army determine that it must pursue a set of new norms for its internal relations, making it completely different from all old armies. The armed forces of the exploiting classes treated soldiers as slaves, and discipline was enforced with clubs, whips, and fists. In the old armies, maintaining the authority and power of officers was regarded as an unalterable principle. This was determined by the class nature and the essence of class oppression in the old armies. In the early period, the People's Army led by our party began to pursue the principles of keeping unity and equality between officers and men and between superiors and subordinates. Our Army eliminated corporal punishment and prohibited officers from beating or being rude to soldiers, thus protecting the human dignity of soldiers from being violated. It also seriously practiced political, economic, and military democracy with the troops to achieve a high degree of political unity, improve the

livelihood of the troops, and to enhance their military quality. According to the Three Main Rules of Discipline and the Eight Points for Attention, our troops were not allowed to ill-treat captives, much less could our soldiers be ill-treated. The unity between superiors and subordinates and the equality between officers and men represented our Army's great political advantage. The same soldier might be mortally afraid of death in the White Army but becomes brave after joining the Red Army. Why? As Comrade Mao Zedong said: "Apart from the role played by the party, the reason the Red Army has been able to carry on in spite of such poor material conditions and such frequent engagements is because of its practice of democracy. The officers do not beat the men and officers, and men receive equal treatment." As commanders in the People's Army, if we forget the principle of unity between officers and men and the fine principle of cherishing soldiers, this means that we could confuse the essential difference between the old armies and the new Army. Then we will certainly lose the foundation for winning victories.

Keeping unity between officers and men and cherishing soldiers is the basic condition for consolidating the coherence of the troops. Our historical experience shows that unity between officers and men brought about a rallying force and combat effectiveness. When the tradition of keeping unity between officers and men was carried out, all people had their minds put at ease, and the troops were full of vigor to carry out their tasks. Under the present domestic microclimate and international macroclimate, it is of particular importance to carry forward the fine tradition of keeping unity between officers and men and of cadres cherishing soldiers. In view of the special position and role of our Army in consolidating state power, the hostile forces at home and abroad are more afraid of our Army's unity and coherence than at any time and always try, by every possible means, to infiltrate it, incite defections, and even try to change the character of our Army. Obviously, under these circumstances, it is all the more necessary for us to heighten our vigilance, carry forward the fine tradition of cherishing soldiers, and consolidate the unity between officers and men, thus leaving no loophole for the hostile forces at home and abroad.

To cherish soldiers, we should first respect them. It is necessary to respect their human dignity and absolutely prohibit any violation of a soldier's human dignity. It is necessary to respect their master status and their democratic rights prescribed by various military rules and regulations. It is also necessary to respect their reasonable demand to acquire knowledge and technical know-how and actively create conditions for their growth and progress. Only thus will soldiers feel the warmth of the big revolutionary family and feel the dearth of the revolutionary army. They will then be inspired to make progress with inexhaustible strength and to wholeheartedly dedicate their all to national defense. For cadres in the Armed Forces, respecting soldiers is the most important principle in commanding the troops. If a cadre can

earnestly put this principle into practice, he will have great appeal and will attract the soldiers to rally around him. He will then have the soldiers follow him without issuing orders.

When carrying forward the fine tradition of keeping unity between officers and men and cherishing soldiers, we should draw a demarcation line between setting strict demands on the troops and treating soldiers in a rude manner. The Armed Forces constitute an armed group for carrying out special tasks. Modern warfare requires the Armed Forces to have a high degree of centralized command, to take accurately coordinated action, and to maintain a strict sense of organization and discipline. The troops must have a tenacious and indomitable fighting spirit. To achieve all this, there must be strict demands, strict management, and strict training in peacetime. Cadres at all levels must have a strong sense of responsibility for army construction and must continuously set strict demands on the troops and manage the troops without hesitation. If they loosen troop management, then they are irresponsible for army construction and the growth of the soldiers, and they will be regarded as neglecting their duties. However, strict demands must not be equated with a rude attitude. Strict demands are based on love and are demonstrations of love in a certain sense. Therefore, strict demands must be kept in line with the serious implementation of various rules and regulations and must be linked with scientific management. Under the premise of respecting soldiers, different methods should be used to deal with different cases related to the soldiers according to the general requirements of the rules and regulations. Prohibition should be combined with guidance and persuasion. Soldiers should be helped to understand why they should act in this way and should not act in that way and be encouraged to consciously abide by discipline and observe the management rules. We will then achieve the purpose of consolidating the organizations, exercising strict management, and enforcing discipline in a strict way. When disciplinary action must be taken against a small number of soldiers who violate the rules and regulations, we should also first give them an explanation. Strict troop management is in fact a process of continuously educating and training the troops. If cadres do not cherish soldiers and are not responsible to the soldiers, they will inevitably behave rudely toward soldiers. The rude attitude seems similar to strict demands on the surface, but it will achieve opposite results and will harm relations between officers and men and also impair the prestige of the cadres. This will only result in weakening the combat effectiveness of the troops.

Carrying forward the fine tradition of keeping unity between officers and men and of cadres cherishing soldiers, thus maintaining close relations between officers and men, is an important task in our present effort to strengthen the Army's political construction. It is also a major criterion for assessing the work of grass-roots units. Thus, we should constantly pay attention to it and repeatedly stress it. At present, education

in cherishing soldiers should be conducted among all cadres. Such education should be linked with the activities of learning from Lei Feng and the "Good Eighth Company." Cadres should be guided to act like Lei Feng who "showed spring-like warmth toward comrades," and like the cadres in the "Good Eighth Company" who consistently commanded the troops in a civil manner. At the same time, the soldiers should also be educated so that they respect cadres, abide by discipline, and obey orders. This way our Army's fine tradition of keeping unity between officers and men, with soldiers respecting cadres and cadres cherishing soldiers, will be continuously carried forward under the new situation.

Army Emphasizes Strengthening Political Work

HK2905063790 Beijing JIEFANGJUN BAO in Chinese
3 May 90 p 3

[Article by Shi Zhiqing (2457 1807 3237) and Zhang Jihe (1728 7162 0678): "Implementing the 'Summary' (of the All-Army Political Work Meeting) Is a Long-Term Task of Strengthening the Army's Political Construction"]

[Text] At present, the whole Army from top to bottom is seriously studying and implementing the Summary of the All-Army Political Work Meeting. This is of great immediate and far-reaching historical significance for always maintaining the character of the People's Army, smashing the "peaceful evolution" conspiracy of the internal and external hostile forces, consolidating state power, and developing the socialist cause. We should overcome the tendency to take the study of the "Summary" as a temporary task for a certain period and should be ready to study and implement it for a long time.

In the socialist period, there always exists the fundamental antagonism between the adherence to the four cardinal principles and bourgeois liberalization. In order to keep the correct orientation for the troops, we must consistently implement the basic spirit of the "Summary." Comrade Deng Xiaoping said: "We will work for 50 to 70 years to realize modernization, and there will always exist the issue of opposing bourgeois liberalization in all these 50 to 70 years." ("Comrade Deng Xiaoping's Important Speeches" p 6) This was a conclusion he drew after penetratingly observing and scientifically analyzing the international major climate and the domestic minor climate. In the international major climate, the international reactionary bourgeois forces have never given up their ambition of subverting socialism. In the domestic minor climate, people who stubbornly cling to bourgeois liberalization will still try to stir up trouble if there is an opportunity. It should be particularly noted that the antagonism and struggle between bourgeois liberalization and the four cardinal principles will inevitably find expression in the troops. After the quelling of the counterrevolutionary rebellion, the education in opposing bourgeois liberalization was conducted in all military units, and this helped clarify some major principled issues in theory. However, it is an

arduous task to thoroughly eliminate the influence of bourgeois liberalization. In a previous period, after being influenced by the theory that Marxism was outdated, some people did not firmly maintain their belief in the Marxist theory; being influenced by the political viewpoints and historical outlook of the bourgeoisie, some people became doubtful of the leadership of the Communist Party and the superiority of the socialist system; being influenced by the bourgeois values of individualism, some people attenuated the idea of serving the people in their mind; being corroded by decadent Western culture, some people's minds were contaminated to different degrees. Therefore, resisting corrosion and infiltration and strengthening political construction in the Armed Forces is not only a long-term task but also an urgent task of great immediate significance. Some comrade may not understand this fully and they incorrectly think that after the rebellion was quelled, the climate was changed and liberalization would have no room for existence. So they did not prepare to study and implement the "Summary" on a long-term basis. This must first be seriously corrected.

Raising the fighting capacity of the troops is the central task of the Armed Forces in the new period. In order to guarantee the fulfillment of this central task, the Armed Forces must have a mental force and must always meet the requirements of the "Summary." Vice Chairman Yang of the Central Military Commission pointed out: "Raising the fighting capacity of the Armed Forces must be taken as the starting point and objective of reform and construction in the Armed Forces and as the fundamental criterion for assessing the work of the Armed Forces in all fields." After the strategic change was made in the guiding principles for the Armed Forces, the military work was shifted from the in-action conditions to peacetime construction focused on modernization. The relative peaceful environment provided a favorable opportunity for our Army's construction, but it may also make cadres and soldiers attenuate the sense of national defense, relax vigilance, and loosen fighting alertness, thus affecting their enthusiasm for military training. A major task in our political work is to continuously arouse the initiative and creativity of officers and soldiers under the new situation, and give a mental impetus to the enhancement of the fighting capacity. To fulfill this task, the service and guarantee role of the political work must be actually ensured in light of the requirements of the "Summary." The aim is to cultivate soldiers with the "four virtues" through the inculcation of the communist ideology. The selfless and dedicating spirit among cadres and soldiers should be fostered, and the ideological and moral quality of the troops should be raised. It should be noted that the political consciousness of the troops constitute the main factor and a major component part of the fighting capacity. Marxism holds that the combination of men with weapons constitutes a major factor for the fighting capacity. "In order to be able to fight, the army must raise its political consciousness and train intensively." ("Selected Works of Deng Xiaoping" p 57)

In the past, we precisely relied on this spiritual superiority to win victories in war and establish the people's republic. In the special combat on 4 June last year, the martial law troops also relied on this mental strength to win the great victory in quelling the rebellion and defending the people's republic. Only by consistently implementing the spirit of the "Summary" on a long-term basis can we continuously raise the political consciousness of the troops, and make a qualitative leap forward in combat effectiveness.

Studying and implementing the "Summary" is a long-term task for strengthening the political work in the military units. In this regard, we should deepen our understanding, unify our thinking, and bring our work into line with the requirements of the "Summary." For this purpose, we should, on the basis of generally relaying the document to the troops, also organize the education in the basic viewpoints of the document in connection with the new situation. Stress should always be laid on the main theme of the "Summary." Through such education, the spirit of the "Summary" can take root in the minds of all people, and can produce long-lasting effect on strengthening the Army's political work. In the history of the Army's political work, there were some historic documents, such as the Gutian Meeting Resolution, the Report to the Senior Cadres' Meeting of the Northwest Bureau Delivered by the Rear Contingent of the Eighth Route Army. They played a guiding role over a long time and remain fresh in people's memory even now, because in the practice of the political work in our Army, the basic spirit of these documents has been consistently used to arm the minds of our cadres and soldiers over a long time. Some basic viewpoints of these documents, such as on the party commanding the gun, on the political work being the lifeblood of the revolutionary army, on the orientation of the Army being the orientation of the political work, and on ideological education being the central link, have deeply stricken root in people's minds. The historic documents not only provided major ideological and theoretical weapons for our Army's political construction and constituted huge spiritual strength for rallying the entire troops, but also constituted a major component part of the stand, viewpoint, and methodology for our cadres and soldiers to observe and analyze things. The historical experience showed that only through deeply studying the documents could we consistently carry out their basic spirit. We should make more effort to guide the entire troops to understand the main theme and basic viewpoints of the "Summary" in the course of studying and implementing this document; and should actually correct the deviation of relaying and studying some important documents for only a short period of time.

Economic & Agricultural

Construction Bank Funds State Key Projects

OW2905193790 Beijing Domestic Service in Mandarin
0930 GMT 21 May 90

[By reporter (Xu Yongqing); from the "National Hookup" program]

[Text] The People's Construction Bank of China [PCBC], which is responsible for funding the state's key projects, made serious efforts to manage the country's funds in recent years. At the same time, through the use of credit, it raised large amounts of funds for the country's key projects. In addition, it achieved progress in promoting the rational, economical, and efficient use of funds.

At a national PCBC conference on the management of funds for key projects yesterday, 42 advanced collectives and 53 advanced individuals who registered outstanding performances were commended.

State Councillors Wang Bingqian and Li Guixian attended and addressed the meeting.

In his briefing, Zhou Daojiong said: Since 1986, the PCBC has funded 308 key projects of the state and invested 160 billion yuan. Basically, the bank was able to provide all the construction funds needed for the construction of the key projects according to state plans. Thus, it created the necessary conditions for a large number of key projects to operate and be completed. Among the recipients of loans, 70 percent were key projects in energy, communications, major raw and semifinished materials, and other key industries. In light of the increase of the cost of funding, the bank adopted differentiated interest rates for most of the state key projects loans in an effort to reduce their interest burdens. To ensure the supply of funds for key projects, the bank has adopted a method of pooling specialized funds since last year. Last year, it pooled 4.13 billion yuan from its savings deposits to meet the urgent needs of key construction projects. The funds were allocated to the projects in light of the progress of construction and the degree of urgency. To increase the financial resources for funding key projects, the bank made vigorous efforts to solicit savings deposits from individual residents. As of the end of April this year, the bank's balance of savings deposits reached 37.43 billion yuan.

State Council Approves Foreign Land Use

OW2405180890 Beijing XINHUA in English
1453 GMT 24 May 90

[Text] Beijing, May 24 (XINHUA)—Chinese Premier Li Peng signed an order of the State Council, China's highest governing body, on May 19 for the promulgation of the provisional regulations on leasing tracts of land to foreign investors for development and management.

The 18-article regulations are intended to draw foreign investors to lease tracts of land for development and management in China in order to step up construction of public facilities, improve the investment climate, attract foreign investors to launch technologically advanced enterprises and export-oriented enterprises, and develop the export-oriented economy.

The regulations went into force on the date of promulgation and shall be implemented in China's special economic zones, and coastal cities and economic zones opened to foreign investment.

The regulations define the development of tracts of land as comprehensive development and construction on tracts of land after state-owned land use right is obtained. This includes land leveling and construction of public facilities—including those of water supply and drainage, of electricity and heat supply, road communications and telecommunications to make the land usable for industry and other constructions. Then the investor in the development of the tract can transfer the land use right and do business by providing the public facilities, or it can put up buildings, including industrial workshops and accommodation facilities, on the land and can transfer or lease out the buildings.

Development of tracts of land should have clear aims and clear intentions for the construction projects on the developed land, according to the regulations.

The regulations stipulate that in order to lease tracts of land for development, foreign investors should establish Chinese-foreign equity joint ventures, or Chinese-foreign contractual joint ventures, or enterprises operated exclusively with foreign capital, respectively in line with the law of the People's Republic of China on Chinese-foreign equity joint ventures, the law of the People's Republic of China on China-foreign contractual joint ventures and the law of the People's Republic of China on enterprises operated exclusively with foreign capital.

Such enterprises for land development are bound and protected by China's laws, and all their activities should be in accordance with the laws and regulations of the People's Republic of China. They enjoy autonomy in operation and management according to law, but they have no administrative power in the development areas. The relationship between the land development enterprises and other enterprises is a commercial one.

The state encourages state-owned enterprises to set up land development enterprises with foreign business people, with the state-owned land use right as their investment and cooperation terms.

The regulations provide that after the state-owned land use right is leased, resources and buried objects still belong to the state. If they need to be developed, relevant laws and administrative regulations should be observed.

Land development enterprises should work out programs or feasibility study reports on the development of tracts of land, defining the objectives for the general development and different stages of development, the details of the implementation of the development, and the plans for the use of the developed land.

A land development program or feasibility study report should be examined by a government at the county level and then submitted to a government at the provincial level for approval.

All development construction must conform to city planning requirements and management if the land for development is within the area of city planning, and to laws, administrative regulations and standards relating to environmental protection.

Land development enterprises must carry out the programs for the development of tracts of land and honor the terms of contract of leasing the state-owned land use right before they transfer the state-owned land use right.

The regulations stipulate that state land management laws and administrative regulations should be observed when land development enterprises and other enterprises re-lease state-owned land use right or mortgage the state-owned land use right, and when the state-owned land use right is terminated.

Land development enterprises can attract investors to development areas to be leased with the state-owned land use right and launch enterprises in development areas.

The launching of enterprises in development areas should be in keeping with relevant state investment policies, which encourage technologically advanced enterprises and export-oriented enterprises.

According to the regulations, the posts and telecommunications facilities in development areas should be put under unified planning, construction and operation by posts and telecommunications departments. Approved by the posts and telecommunications departments at the provincial level, posts and telecommunications facilities can be constructed with investment from land development enterprises or from both the enterprises and posts and telecommunications departments, and the facilities shall be operated by posts and telecommunications departments after their completion.

Land development enterprises which invest in the construction of public facilities such as power stations, heating systems and waterworks in development areas, can operate relevant businesses and can also let local public facility enterprises operate such businesses.

The regulations also apply to firms, enterprises and other economic organizations or individuals from Hong Kong, Macao and Taiwan, which intend to lease tracts of land for development.

Forestry Program To Utilize World Bank Loan

HK3105040490 Beijing CHINA DAILY in English
31 May 90 p 1

[By staff reporters Wang Xiangwei and Wu Yunhe]

[Text] The World Bank announced yesterday in Washington that its soft-loan arm, the International Development Association (IDA), approved a credit of \$300 million to China for a national foresting project.

The interest-free, 35-year loan will help to forest 15 provinces in southeast China, a Ministry of Finance official told CHINA DAILY yesterday.

With the loan, China will plant trees on 1 million hectares. The idea is to help meet the heavy demand for wood, protect the environment and generate foreign-exchange savings, according to a statement from the World Bank, the biggest source of aid to the Third World.

The bank's decision supports expansion of China's forest resources and contributes to protection of the country's environment the ministry said.

This is the largest of three World Bank loans China has received since last June.

Earlier this year, the bank approved two loans, totalling \$90 million, for an agricultural programme in Jiangxi Province and for reconstruction in Shanxi Province following the earthquake there.

The \$300 million will be used to plant coniferous trees on 675,500 hectares and broadleaved trees on 309,500 hectares in 15 provinces, said an official for the Ministry of Forestry.

The Chinese Government, at the same time, would pump an unspecified amount into fertilizers, pesticides, imported seeds, research and computer equipment for the project, which would be carried out over 6 years, he added.

In the next 20 years, the project is expected to generate 137 million cubic metres of timber and 25 million tons of firewood valued at nearly \$11 billion at current prices.

According to the World Bank statement, the project will generate 680,000 one-year jobs during the six-year implementation period and another 7 million one-year jobs during the lifetime of the plantations.

In 1985, the World Bank began financing forestry development in China.

One loan approved in 1985 was for the establishment of a forestry development project and another approved in 1988 was for a project to rehabilitate forest in the Daxinganling mountains destroyed in an earlier fire. The two loans totalled \$96.7 million, the official said.

According to official statistics, forests cover an estimated 120 million hectares in China, 13 percent of the land.

The official said that there has been, for years, an imbalance between demand and supply of timber in China.

Imports of wood and wood products have increased twelvefold since 1970.

To meet the increasing domestic demand for timber and also to improve the country's ecology, China launched massive foresting projects in its northern provinces during the early 1980s. This year, another major foresting drive has been initiated in nine provinces along the Yangtze River to reduce soil erosion there.

The project, called the high-yielding plantation programme, was considered the first step in a 10-year plan (1990-2000) created here to establish 8 million hectares of intensively managed forest stands, he added.

'Source' Says Reform Measures To Be Adopted

HK3105033190 Hong Kong CHING CHI TAO PAO
in Chinese No 21, 28 May 90, p 15

["Informed Sources" column article by Yu Yi (0060 0044) filed on 24 May: "Authoritative Source Says Reform Will Be Stepped Up"]

[Text] Recently, an influential official of a State Council department told the responsible people from 50 large enterprises in all parts of the country that in the follow-up stage of readjustment and rectification, there will be more reform measures than in the earlier stage. This is because without carrying out certain structural reform, it is hard to achieve the expected results in the implementation of some measures for readjustment and rectification.

He said this at a seminar attended by leading cadres from the large backbone enterprises sponsored by the Central Organization Department, the State Commission for Restructuring Economic System, and the Ministry of Personnel.

Since the fourth quarter of last year, some economic experts and scholars have repeatedly stressed that on the surface, market slackness was the result of the changes in the gross economic quantities, but it was in essence an abnormal effect of the chronic maladies in the economic structure. Therefore, it is impossible to fundamentally solve many deep-rooted problems accumulated in recent years merely through the simple adjustment of the gross economic quantities. Some new contradictions and new problems also emerged against the same background.

In view of this state of affairs, the authoritative person pointed out that the fundamental way to overcome present difficulties is to adjust the economic structure, deepen the reform, and raise economic efficiency.

Joint Ventures Sought for Nonmetals Project

HK3105023490 Beijing CHINA DAILY in English
31 May 90 p 2

[By staff reporter Zhang Yuan]

[Text] The State Administration of Building Materials Industry is inviting overseas investors to cooperate in four projects, CHINA DAILY learned yesterday.

The projects all require overseas business people to inject at least half of the total investment.

And co-operation in the projects could be in the form of Sino-foreign joint or co-operative ventures as well as compensation trade, said Cheng Zhiqiang, an official of the China Scientific and Technological Industrial Corporation of Inorganic Non-metallic Materials under the administration.

Cheng, an expert in the field of inorganic non-metallic materials, said the first project was to set up a production line of indium-tin-oxide (ITO) coated transparent conductive glass, with an annual output of 100,000 square metres.

The ITO product is mainly for the use of liquid crystal display devices widely used in the modern electronics industry.

Estimated investment for the project was about 10 million yuan (\$2.13 million), Cheng said.

The second project is the construction of a production line for artificial crystals.

With an estimated investment of some \$8.35 million, the line is expected to produce 400,000 tons of artificial crystals yearly.

The third project, Cheng added, was an offer to foreign business people to invest in an artificial diamond factory.

Total investment in the project was estimated to be 58.1 million yuan (\$12.36 million). And the factory was expected to turn out 10 million carats of man-made diamonds, Cheng said.

In the final project, the corporation expected overseas partners to invest in a factory manufacturing glass fibre reinforced plastic yachts.

With an estimated investment of \$4.5 million, the factory was designed to turn out 300 yachts each year, Cheng said, adding that annual profits were targeted at about \$5.3 million.

Co-operation was also welcomed in the manufacture of glass fibre reinforced plastic fishing boats, he said.

Finance Minister Discusses State Development

OW2505150590 Beijing XINHUA in English
1354 GMT 25 May 90

[Text] Beijing, May 25 (XINHUA)—Money collected from bonds and borrowed foreign funds are only a necessary supplement to funds for state construction, State Councilor and Finance Minister Lang Bingqian said at a national conference on financial research here today.

The state will issue more bonds in the future for its economic development, Wang said, but the total amount will be controlled within a proper limit.

Wang said, the huge construction scale and demand for funds still outstrip the state's economic strength.

He said that the state's financial income should grow in proportion with the economic development. The ratio of financial income and the ratio of central financial income in the state revenue must be raised gradually.

Mean while, Wang said, in order to improve the financial structure, the proportion of regular and stable income should be raised, while the proportion of irregular and unstable income must be reduced.

Limitations on Private Enterprises Explained

HK3105015390 Beijing GUANGMING RIBAO
in Chinese 12 May 90 p 3

[Article by Cai Tirong (5591 7555 2837): "Make a Clear Distinction, Adopt a Correct Attitude—Views on the Development of the Private Economy"]

[Text] Since the Third Plenary Session of the 11th CPC Central Committee, private enterprises have gradually developed in cities and towns throughout our country. The party and state have made clear specifications regarding the functions of the private economy at the present stage and regarding the policies we should adopt. The political report of the 13th CPC National Congress points out: "To develop the private economy to a definite degree is favorable to increasing production, activating the market, offering more employment opportunities, and meeting the various daily needs of the people. The private economy is needed by the public economy and is its helpful supplement." The revised constitution passed at the First Session of the Seventh National People's Congress stipulates: "The state allows the existence and development of private economy within the limits specified by laws. Private economy is the supplement of socialist public-owned economy. The state protects the legal rights and interests of private economy, and guides, supervises, and manages it." These specifications are the basis for the implementation of the policies for private economy. However, in recent years, some negative elements have been exposed in the development process of private economy, causing discontent among the masses. Some people who stick to

bourgeois liberalization advocate privatization and suggest that public economy become the main form of our national economy. After criticizing the ideas of bourgeois liberalization, some cadres still harbor doubts of the implementation of the policies for private economy, fearing that they will make the mistake of "privatization" and "the restoration of capitalism." Some people think that the party's policies have changed or that "they need to be changed" when they see that a few private enterprises have stopped or suspended operation during the process of economic improvement and rectification. Some private enterprise owners are still afraid and would rather wait and see. These ideas are obviously unfavorable to the correct implementation and practice of the party's policies for private economy. Now it is necessary to draw a line between our party's policies for private economy and the suggestions of those advocating bourgeois liberalization; and to ascertain the position and role of private economy at the present stage in our country so as to enhance our consciousness for the implementation of the party's policies. Therefore, I would like to express some of my personal views.

When Developing Private Economy, We Must Strictly Distinguish the Stark Conflict Between the Four Cardinal Principles and Bourgeois Liberalization. We Must Resolutely Oppose Privatization on the One Hand and Staunchly Implement the Party's Correct Principles and Policies for Private Economy on the Other.

In developing private economy, there is a very obvious stark conflict between sticking to the four cardinal principles and practicing bourgeois liberalization, which is characterized by the following four aspects:

First, those advocating privatization suggest that public-owned economy be abolished so that private economy will become the main form of our national economy. Our party sticks to public-owned economy as the main body, under which private economy is to be appropriately developed because it is a necessary and helpful supplement.

Second, those advocating privatization suggest that the private enterprise system be instituted through the development of private economy, laying the micro basis for market economy in which competitions are completely free. Our party maintains that the development of private economy is for promoting the development of the productive forces in order to favor production in society, make the people's life easy, and offer more employment opportunities.

Third, those advocating privatization suggest that private ownership economy be developed to restrict and standardize the behavior of public-owned economy so that it will submit to or serve the development of private economy. Our party maintains that public-owned economy is to restrict and standardize the behavior of private ownership economy so that private economy will carry out economic activities under the restriction of state policies, laws, and plans, and that it can be included in the socialist economic overall operational organism.

Lastly, those advocating privatization suggest that the proportion of private economy in our national economy be used as the criterion to measure the results of reforms. They believe that the larger its proportion the more results reforms will have. Our party maintains that private ownership economy can only play a supplementary role in our national economy. In these circumstances, the proportion of private economy development must be fixed according to a number of conditions, such as the practical productive levels of our country, social needs, and the state's macroregulatory ability. Moreover, it must be adjusted in keeping with the variance in these conditions.

We should focus on public-owned economy, which has a bearing on the national economy and people's livelihoods when measuring the results of reforms. The fact that our party allows the existence and development of private economy to a definite degree is aimed at bringing into play the superiority of socialist economy and speeding up the development of our economy, but never at weakening and canceling the main-body role of public-owned economy, nor at practicing the "privatization" of economy. Therefore, we must draw a line between the two opposing ideas in the development of private economy. We must resolutely oppose privatization while resolutely implementing the party's correct principles and policies for the development of private economy.

We Should Know the Two Sides of Private Economy—Namely, its Positive Functions Favorable to Socialist Construction and its Negative Functions Unfavorable to the Development of Socialist Economy.

Our present private economy possesses two-sided economic elements. This two-sidedness is determined by its nature, existence, and development.

Generally, we can see that our country's development level of productive forces is still rather low and, in particular, there is a serious imbalance in their development between urban and rural areas and between different localities. There are advanced and fairly advanced large industries in cities and towns, whereas in rural areas, manual labor is still widely used. In a few poverty-stricken places, people still do not have sufficient food and clothing. In society, and especially in rural areas, there remains a great deal of surplus productive forces, which cannot be consumed in a short time. The various needs of the people and the contradictions in market supplies will also exist for a long time to come. These problems must be resolved by the material and technical conditions and the strength of socialist public-owned economy. If we have not had these conditions, we will leave some room for the existence and development of private economy.

The private economy at the present stage in our country is born out of the condition when socialist public-owned economy overwhelmingly got the upper hand. When it emerged, it had close connections with public ownership economy and depended on it. It cannot do without the support and help of socialist public-owned economy.

Therefore, it will inevitably be influenced and restricted by socialist public-owned economy and can only exist as its supplement.

However, private economy is different from public-owned economy because the former employs labor as its basis. The means of production and capital belong to owners of private enterprises, who mainly depend on hired workers for production and operation. And the purpose of production and operation is to seek surplus value and obtain as many profits as possible. The relations between a private enterprise owner and a worker are those between an employer and an employee. The owner possesses the rights of production, operation and management, and a worker labors under his supervision and guidance. The products of a worker's labor belong to his owner and are under his control. Being the owner of the means of production, the owner obtains the profits, taking the surplus labor of his hired worker without compensating him. Therefore, economically, the relations between an employer and a hired worker are exploitation and being exploited. This kind of private economy built on the basis of employment and being employed is capitalist in nature. Our present private economy has not developed on the basis of self-development, but has just been born out of natural economy and petty commodity economy. Therefore, it has its originality and backwardness. However, this private economy is, after all, different from that in a capitalist society. It exists under the socialist system under which public ownership plays the main part and has close relations with the public-owned economy. Moreover, it is controlled, influenced, and restricted by the public-owned economy, and it is a capitalist economy in a special pattern.

The essence of private economy at the present stage in our country and its role in the national economy determine its two-sidedness. On the one hand, it possesses positive functions such as helping the development of production, offering employment opportunities, increasing commodity supplies, making people's lives easy and the market more brisk, and accumulating funds for the state's construction. The private economy in our country came into being and is developing under the guidance of the party's correct lines and policies and with the support and help of the state and public-owned economy. Therefore, generally speaking, owners of private enterprises support the party's lines and a series of policies and support the Constitution and the guidance of public-owned economy. If we fail to see this, it is possible that we will oppose or ban the existence and development of private economy, making the economy stagnant, thus favoring the development of production and the improvement of people's lives. On the other hand, spontaneity, blindness, speculation, and unscrupulous profit-seeking in private economy exists. Private enterprises often harm the interests of the state, society, and groups of people when seeking gains. If their relations with hired workers are not properly handled, it may lead to extreme actions. During their development in

recent years, many problems have been found, such as speculation, profiteering, fraud, bribery and corruption, tax evasion, shoddy work using inferior materials, forgery and copying, child labor, longer working days, and the condition of some people getting extremely wealthy and leading a corrupt life. Therefore, this should draw our attention. If we fail to see the negative side to private economy and if we do not make corresponding policies, these negative factors will become rampant, harming the public-owned economy and damaging the system that integrates planned economy and market regulation, aggravating social conflicts, and influencing social stability. We should properly understand its two-sidedness and then make policies accordingly.

Unswervingly Implement the Party's Correct Principles and Policies for the Development of Private Economy. We Should Both Encourage and Guide, Manage and Control Private Economy.

In his speech at the meeting marking the 40th anniversary of the founding of the PRC, Comrade Jiang Zemin said: As for private economy, "our principles are that first we should encourage its positive development within the limits allowed by the state, and second, we must use economic, administrative, and legal means to strengthen control and guidance so that on the one hand their positive functions can be used and, on the other hand, their negative effects, which are unfavorable to socialist economic development, can be controlled on the other." This principle was put forward according to the nature and characteristics of private economy and can be summarized into encouragement, guidance, management, and limitation. By encouragement we mean that we will encourage private economy to positively develop within the limits allowed by the state, but we do not encourage it to develop without limitations. By guidance we mean that we will guide them so that they become a favorable For the effective management of private economy, the following questions have to be solved immediately:

First, instituting and improving the leadership and management structure. The management of private enterprises by all local governments involves economic supervision and regulating organizations in charge of industry, business, taxation, commodity prices, public security, traffic, city development, hygiene, and special administrative management departments. Day-to-day management is normally undertaken by industrial and commercial departments, which have become "would-be supervisory departments." Since industrial and commercial departments are structurally equal to other departments, they cannot shoulder the responsibilities of comprehension, coordination, planning, and organizing. Private economy is virtually in the state in which "they seem to be managed but are not really managed, and they seem to be managed by all but are managed by none," or "management with the payment of charges." Therefore, it is necessary to establish organizations to coordinate private economic work and to handle relevant important

matters in private economy. They represent the administrative authority of the government and must carry out their duties. Meanwhile, we should strengthen the authorities of administrative management organizations such as those of industrial, commercial, and taxation departments, and train personnel for daily management. Furthermore, it is necessary to strengthen the role of private enterprise associations and utilize their functions of self education and self management, thus integrating administrative management and self management.

Second, properly resolving the question of the dependence of private enterprises. At present, many private enterprises depend on public-owned enterprises. Some of them even depend on troops, organs, and associations. These enterprises should register with industrial and commercial management departments according to the "Provisional Regulations for Private Enterprises." Private economy should function as it should, and it does not need to wear a "red hat." Wearing a "red hat" entitles private enterprises to the preferential treatment in taxation and others that they should not be entitled to. When legal disputes arise, it will be unfavorable to a town, township, or enterprise owner himself.

Third, strengthening macroregulation and improving microquality. At present, private economy lacks programs for different trades, and there is blindness in their development; therefore, it is necessary to make programs for different trades and trade adjustment. It is necessary to resolutely readjust the market order and properly handle taxation and tax management, strengthen commodity price control, provide private enterprises normal channels for capital and raw materials supplies and product sale. It is necessary to upgrade private enterprise owners and private enterprises and to change as soon as possible the originality and backwardness coming with the operation and management of private enterprises. Enterprises must possess financial personnel, be able to train personnel who can keep accounts, and consciously receive the examination and supervision of industrial, commercial, and financial organs.

Fourth, strengthening the legal system. The three regulations and specifications including the "PRC Provisional Regulations for Private Enterprises" promulgated by the State Council still need serious implementation. Moreover, some details have to be made first. It is necessary to strengthen private enterprise owners' concepts of the legal system and their awareness of lawfully operating their enterprises. It is necessary to protect the legitimate operation and legal interests of a private economy and to limit it in accordance with laws. It is necessary to strengthen guidance, supervision, and management and to resolutely stop and crack down on illegal operations.

Better Harvest Means Less Food Grain Imports

HK2905124890 Hong Kong ZHONGGUO TONGXUN SHE in English 1016 GMT 29 May 90

[*"China To Import Less Food Grain This Year"—ZHONGGUO TONGXUN SHE headline*]

[Text] Beijing, May 29 (HKCNA)—China is expected to import less food grain this year as a result of the previous year's bumper harvest, thus breaking the worsening trend since 1985.

The country's importation of food grains reached 16.58 million tonnes last year from a previous six million tonnes. The quantities in 1987 and 1988 both exceeded ten million tonnes.

With increasing imports, the situation which existed before 1985 of exports outstripping imports was reversed in 1987. Food grain exports remained at around 6.5 million tonnes in 1989.

While rice is the main export cereal, wheat accounts for the lion's share of 90 percent of grain imports. Cereal trading can help balance the country's cereal yields.

The United States, Australia and Canada are China's three major food grain supplying countries, with the United States leading with an export of 8.35 million tonnes.

State To Purchase More Summer Grain in 1990

OW2605145190 Beijing XINHUA Domestic Service in Chinese 1311 GMT 17 May 90

[By reporter Chen Yun]

[Text] Beijing, 17 May (XINHUA)—Vice Minister of Commerce He Jihai said at the national conference on summer grain procurement today that the government will make every effort to purchase more summer grain this year. He said: Purchasing departments should buy all the peasants want to sell, and the government will purchase all the surplus grain in various localities at set prices. This policy was laid down by a leading comrade of the State Council while hearing a Ministry of Commerce report on summer grain procurement.

The policy of "making every effort to purchase more grain" was made because the nation's grain situation is improving. According to the vice minister, the grain situation in 1989 was a relatively satisfactory one compared to recent years. The output picked up, more grain was purchased, sales dropped, and the inventory grew. Judging from the current situation, the nation will have another bumper summer grain crop in 1990, and so the leading comrade of the State Council has instructed that purchasing departments in all localities must do a good job in purchasing summer grain by buying all the grain producers want to sell, and that no purchasing limits shall be imposed.

It is learned that, aside from ensuring the fulfillment of all the contracted buying quotas, purchasing departments should buy grain sold to the state at negotiated prices by paying prices slightly lower than the market prices; however, provincial and municipal governments should set a ceiling and the lowest protective prices for the purchase of grain sold to the state should be at negotiated prices. After meeting what the market needs, local authorities may deliver all the surplus grain to the central government and the buying prices shall be determined by the Ministry of Commerce, the State Administration of Commodity Prices, the Ministry of Finance, and the Ministry of Agriculture. The money needed for the purchase of the surplus food grain should be borrowed from banks, and the interest from the loans will be deducted by the central government. The central government will own the surplus grain and centralize the distribution.

He Jihai said: Efforts should also be made to purchase more rapeseed. After fulfilling the contracted quotas, purchasing departments should continue to buy, at set prices, all rapeseed the producers want to sell. The State Council has already approved that a reserve of edible oil be established.

He Jihai stressed the urgent need to raise the cash needed for the purchase of summer grain and oil-bearing crops. He said that all food departments should take the initiative to contact banks to make sure that the needed cash

is available, and that efforts should be made to tap their own resources by recalling their cash being used in other areas. He said the money earmarked for purchasing purposes should not be used in any other purposes, and that the peasants should not receive anymore "IO's" this summer. He added: Efforts should be made to ensure the quality of grain and oil-bearing crops. It is the peasants' obligation and fine tradition to thoroughly dry and winnow their crops before selling them to the state. Before delivering the food grain into granaries, purchasing departments should check its quality according to state-set standards and pay prices according to quality. They should neither upgrade the crops and pay them higher prices, nor downgrade them and pay lower prices, and necessary supplement to socialist economy. By management we do not mean laissez-faire but that we will promote advantages and remove disadvantages so that private enterprise owners will become law-abiding and honest ones engaging in production. By limitation we mean that we will limit private enterprises within the scope of serving the public-owned economy as a supplement, that we will set a maximum limit for the number of hired workers it employs, and place definite limitations on the volume of its exploitation through wages policies, tax income, and profit distribution policies, and that we will curb their illegal activities. The means of encouragement, guidance, control, and limitation should include economic, administrative, and legal means, of which economic means are the major ones.

East Region

Lu Rongjing's Report at Anhui CPC Congress

OW2705100490 Hefei ANHUI RIBAO in Chinese
5 Mar 90 pp 1, 2, 4

["Adhere to the Party's Basic Line, Strengthen Party Building, and Constantly Promote Anhui's Socialist Modernization"—A report made by Lu Rongjing at the Fifth Anhui Provincial CPC Congress on 25 February 1990]

[Text] Fellow comrades:

The Fifth Anhui Provincial CPC Congress is opened at an important time when we are thoroughly implementing the guidelines of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee and confidently moving toward the second stage of the grand goal of accomplishing socialist modernization. It is also opened at a time when international hostile powers are employing strategies to hurry socialist countries into "peaceful evolution," and under a situation in which we are faced with formidable trials. At this party congress, we must earnestly draw a conclusion on our work done in the past five years, determine our tasks for the next five years, mobilize the province's party members and people of all nationalities to unwaveringly adhere to the party's basic line, follow the leadership of the CPC Central Committee of which Comrade Jiang Zemin is the nucleus, work together with one heart, and overcome all adversities in order to continuously push forward Anhui's socialist modernization.

I shall now make a report to the congress on behalf of the fourth Anhui provincial party committee for examination and approval by the delegates.

1. Looking Back at the Last Five Years' Work

In the last five years, party organizations at all levels throughout the province have led party members and the masses to earnestly implement the party's line, principles, and policies laid down by the Third Session of the 11th CPC Central Committee, and worked hard in unity. As a result, work in all fields progressed steadily, and we have basically realized the major goals set by the fourth provincial party congress.

The national economy has continued to grow and constantly increased its power for sustained development. Compared with 1984, the entire province's gross national product in 1989 at 57.5 billion yuan showed a 61-percent increase, with an average annual increase of 10 percent; industrial and agricultural products totaled 60.8 billion yuan, up by 78.9 percent, with an average annual growth rate of 12.3 percent; retail sales of consumer products registered 27.5 billion yuan, a 1.3-fold increase, with an average annual growth rate of 18.1 percent; financial revenue was 5.1 billion yuan, up 1.09

times, with an average annual growth rate of 15.9 percent; and state-owned units received fixed assets investment of 19.5 billion yuan. Industries developed rapidly. The 1989 provincewide industrial output was valued at 44.1 billion yuan, which is 1.17 times higher than the 1984 figure, with an average annual growth rate of 16.7 percent; construction of basic industries such as energy, transportation, communications, and major raw and semifinished materials, as well as infrastructure facilities also accelerated; light and textile industries and other new industries developed at a faster pace; and all types of natural resources were further exploited. The rural economy developed steadily, the whole province's grain production increased by 2.2 billion kg over the 1984 figure. In five years' time, the province shipped and sold 14 billion kg of grain to other provinces, averaging 2.8 billion kg per year. Agricultural development progressed fairly rapidly. Some mountainous and water areas were exploited for agricultural use. New progress was made in a diversified economy and afforestation. Efforts to build basic agricultural facilities were further stepped up. Numerous irrigation projects and agricultural product bases were completed. Production conditions improved. Output value of village and town enterprises throughout the province was worth 26 billion yuan in 1989, which is 4.6 times higher than the 1984 figure. All this is of importance to breaking the unitary management system of the rural economy and forming an integrated management structure.

Livelihood of the people has shown apparent improvement. Appearance of the rural areas has undergone fairly significant changes. The actual income and standard of living has improved for a majority of the province's urban and rural residents. Per capita net income of the peasants in 1989 was 515.7 yuan. After taking the inflation factor into account, the actual increase was 14.7 percent over the 1984 figure. Per capita spendable income of urban residents was 1,133.7 yuan, an actual increase of 25.2 percent. As a result of economic development, smaller townships are booming, construction of urban infrastructure facilities was accelerated, and housing conditions of most urban and rural residents were improved. A total of 945,000 jobs were created throughout the province. Mountainous areas, poor areas, and the old revolutionary base areas also underwent fairly rapid changes. A majority of the areas has begun to develop a commodity economy. Food and shelter problems for most people were basically solved. Some poor households began to shake off poverty and became affluent.

Healthy development was made in urban and rural reforms and the scope of opening to the outside world was gradually widening. In the reform in rural areas, we continued to stabilize and improve the system of contracted household responsibility with remuneration tied to output, gradually built up a healthy system of socialized services, reformed the system of purchase and sales

of agricultural products, readjusted the production structure in rural areas, and promoted circulation of commodities. Reform in urban areas was focused on revitalizing the enterprises, which involved systematically carrying out a system of contracted management responsibility in enterprises under which the factory director (manager) assumed full charge. Serious studies were carried out while experimenting with various types of management methods, strengthening lateral economic ties, and forming enterprise groups. In parallel with enterprise reform, reforms in planning, investments, material supplies, business, finance, and income tax were also made. Collective economy in urban areas developed at a faster pace. Under the emphasis that public ownership remained predominant, individual and private economies also developed. Reforms in education, science and technology, culture, public health, and sports were gradually made. Surveys and studies concerning reform in political systems were carried out. Some experiences were gained by experimenting with comprehensive reform at the county level and reforms in some cities. Gratifying results were obtained in opening to the outside world. Volume of export in foreign trade in 1989 showed an increase of 1.3 times over the 1984 figure. By speeding up the use of foreign investments, we established a number of enterprises which are wholly or partly owned by foreigners. New developments were made in importing foreign technology, contracting of projects abroad, and labor service cooperation with other countries. Cultural, scientific, and technological exchanges with foreign countries were increased and friendly relationships expanded. Travel industry also gathered speed in its development. The efforts to gradually step up the efforts in reform and opening to the outside world served as an important force for promoting economic development and all fields of work.

New progress was made in developing spiritual civilization, and the quality of the masses in science and cultural affairs improved. Party organizations at all levels in the province gradually realized the importance of political and ideological work; conducted education in basic Marxist theory, in the party's basic line, and in the policy toward the current situation; and organized efforts to criticize bourgeois liberalization and its typical representatives. Education and science and technology in the whole province developed fairly rapidly. Improvements were made to the unreasonable academic levels and the structure of higher education. Further emphasis was placed on elementary and preschool education. Vocational and technical education and adult classes developed vigorously. The intake of teachers also increased. New results were made in research in natural and social sciences. Remarkable success was made in the development and research of applied technology. Science and technology are more closely combined with economy. In some rural areas, agriculture, science, and education showed good signs of coordinated development. Culture, literature, and art also flourished. New improvements were made in sports, public health, and planned parenthood. Welfare of children and youth was given serious

attention. The work in building up the People's Armed Forces and national defense education were improved. Closer relationships were fostered between the government, the Army, and the people. Greater efforts were made to build civilized cities and towns. The people and the Army were encouraged to work together to build socialist culture and ideology as well as civilized institutions. The development of socialist spiritual civilization has improved the scientific and cultural quality of the people.

Socialist democracy and legal system was gradually reinforced, and political stability and unity was consolidated and enhanced. While promoting material affluence and advanced culture and ideology of socialism, we were simultaneously promoting the development of socialist democracy and legal system. The system of the People's Congress was being gradually perfected. Greater efforts were made to enact laws and exercise supervision according to the laws. A closer relationship was fostered between the people and the People's Congress. People's congresses at all levels made fairly big strides in their work. The system of multiparty cooperation and political consultation under the CPC's leadership was gradually improved. Democratic parties and groups as well as patriotic individuals without party affiliation enthusiastically brought their initiative into full play in state affairs. The patriotic united front consolidated and improved itself. Trade unions, the Communist Youth League [CYL], women's federations, and other mass organizations at all levels throughout the province were actively organizing activities suitable for workers, youth, and women. These groups put in a lot of efforts and exerted much influence on those who attended their activities. Extensive and profound efforts were made all over the province to educate the people in legal knowledge, thereby instilling a higher sense of legal system into the vast number of cadres and masses. Severe punishments were meted out to major law offenders and serious economic criminals. This further strengthened the comprehensive efforts to maintain social order and ensured basic stability of our society.

Party building has been gradually strengthened, and the fighting capacity of party organizations and the quality of party members have improved constantly. Party organizations at all levels throughout the province focused on the party's basic line, and promoted the building of the party itself. More attention has been paid to this work, especially since the Fourth Plenary Session of the 13th CPC Central Committee. The quality of political and vocational work, as well as the leadership of leading bodies at all levels has improved through readjustment, augmentation, and training. The building of grass-roots party organizations has improved gradually. As a result, party branches have played their roles fully as fighting bastions, whereas party members have set good examples as vanguards. In order to ensure the implementation of the principles and policies of the party and the government, and the accomplishment of all tasks, the broad masses of party members and cadres at the grass-roots level have worked diligently and conscientiously at

the forefront of socialist modernization and reform. Their unremitting efforts have yielded great successes. Advanced party organizations, excellent party members, and party affairs workers at the grass-roots level have emerged. Last year, the provincial party committee made a decision to learn from the party branch in Xinzhong Village, which has promoted the building of basic-level party organizations in rural areas. Party organizations at all levels have earnestly improved party style, investigated, and dealt with cases of violation of discipline within the party, and weeded out a group of corrupt people. Party organizations at all levels have established some effective systems and constantly sought for perfection while adhering to collective leadership, improving democracy within the party, reviving and carrying forward the party's fine tradition and style of work, tightening supervision inside the party, promoting the efforts to build a clean and honest government, and doing a good job at appraising and checking on cadres. In the struggle to curb the turmoil and put down the counterrevolutionary rebellion in Beijing at the turn of spring and summer in 1989, most of the party organizations and members of the province went through severe ordeals, and made great contributions to safeguarding political stability and unity, and the fundamental interests of the party and the people. After the turmoil had been curbed, and the counterrevolutionary rebellion in Beijing put down, party organizations scrupulously carried out investigations and screenings, and conducted a profound education in class struggle among the broad masses of party members, cadres, and people, thereby enabling them to better understand the nature, causes, and harm of turmoil and counterrevolutionary rebellion, and to enhance their consciousness in adhering to the four cardinal principles and opposing bourgeois liberalization.

The aforementioned successes were the result of hard work and unity shown by party organizations at all levels, party members, cadres, and masses throughout the province who had followed the leadership of the party Central Committee, and earnestly implemented the line, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee. They were also the results of the enthusiastic support from Army officers and men stationed in Anhui. While realistically affirming our own achievements, we should also have a sufficient estimation of the existing problems and difficulties we are facing, so that we will keep a clear mind, lift our spirits, and continue our advance. From the standpoint of the provincial party committee, the most glaring problems that appeared in the past five years were: Failure to consistently give priority to party building; failure to properly solve the problem of the party's reluctance to handle its own affairs and the lack of seriousness in dealing with party members; and lack of full understanding of the dangers of corruption in the party and inadequate efforts to handle this situation. Moreover, many problems exist in the building of the party in ideology, organization, work style, and rules and regulations. Other problems were: Paying insufficient

attention to the development of spiritual civilization; relaxing the efforts on ideological and political work; failure to regularly educate the broad masses of party members, cadres, and people to uphold the four cardinal principles as the basic idea. Particularly noteworthy is the fact that ideological education for youth was neglected. There was not enough vigilance against attempts by international hostile forces to bring about "peaceful evolution" and against the fact that class struggles still exist to a certain extent in China. Inadequate efforts were made to struggle against bourgeois liberalization. At one time we did not fully understand and lacked the political sensitivity toward the nature, causes, and harm of the turmoil at the turn of spring and summer last year, and some of the problems entailed were not handled properly. In economic work, there were indications of rashness. A tendency to seek quick results and lay onesided stress on high speed appeared in our guiding thoughts and practical work. Some plans and formulations were not thought out carefully, and some of them were even faulty. The reasons why these problems came up were mainly because our ideological and theoretical level was not high, because we could not fully and deeply understand the guidelines of the central authorities as well as the provincial situation, and because we lacked the capability to control the overall situation in a complicated environment. Last year, by seriously carrying out the guidelines of the Fourth and the Fifth Plenary Sessions of the 13th CPC Central Committee, we started to sum up experiences and lessons in this field and tackle related problems. As a result, the party's style of work began to improve; the ideological trend of bourgeois liberalization was contained; and the political situation became more stable. After one year of economic improvement and rectification campaign, the pace of the price increases has slowed down, the scale of investment in fixed assets and the institutional consumption have been effectively controlled, the work of screening and reorganizing companies has improved, and the national economy is developing in a favorable direction. However, many problems still lie ahead, and new problems will still crop up constantly in the course of advance. Therefore, we must reinforce our study of Marxist theory, adhere to the ideological line of seeking truth from facts, make great efforts to heighten our ideological level and leadership level, constantly improve our ability in decisionmaking, and do our job well.

In reviewing the work done in the last five years, we profoundly deeply recognized that:

—We must firmly and thoroughly implement the party's basic line. The provincial party committee and party committees at all levels have given priority to economic construction, concentrated their efforts on economic work, and attended to the work of reform and opening to the outside world. These are the major factors for ensuring a sustained economic development throughout the province. However, weaknesses did appear in the development of spiritual civilization

with slack in ideological education as the most serious mistake. Both negative and positive experiences show that to further promote the socialist modernization drive in Anhui Province, we should solidly establish the idea that economic construction is of pivotal importance; continue to pool energies to raise productivity; correctly handle the relationship between upholding the four cardinal principles and persistently making reform and opening up to the outside world on the one hand, and developing material and spiritual civilizations on the other hand; and firmly carry on the struggle against bourgeois liberalization.

—We must firmly place above all else the overall interest of preserving and consolidating stability and unity. Experience from practice in the past, particularly from the halting of turmoil and quelling of the counterrevolutionary rebellion in Beijing last year, further proves that we cannot achieve anything without political stability and unity and a stable environment. For the past five years, because of the solidarity, coordination, and mutual support of leading bodies at all levels throughout the province and because party organizations, party members, and the entire people of Anhui Province kept the overall interests in mind and safeguarded and developed unity and stability, socialist construction and reform in Anhui were able to proceed smoothly and healthily. We should highly value this situation and firmly preserve unity and stability; resolutely oppose, and resist any wrongful words and deeds that are detrimental to stability and unity; and resolutely fight against hostile forces at home and abroad that are out to sabotage our political stability and unity.

—We must firmly preserve the continuity and stability of the party's policies. We should firmly maintain the system of contracted household responsibility with remuneration related to output and actively implement reform policies such as contracted managerial responsibility for factory director (manager), and keep on perfecting them in practice. Propaganda and education should be repeatedly conducted among cadres and masses in great detail so as to dispel their anxieties that our policies are subject to frequent changes. These are the important conditions under which the economic development in our province manages to maintain its momentum. Practice indicates that continuity and stability of policies are the basis for reassuring the people and stabilizing economy and the overall situation. While maintaining the stability of the various reform policies, we should strive to implement these policies more thoroughly, introduce readjustments to give them more substance, and make them more perfect. We should further promote the spirit of daring to implement, explore, blaze new trails, and make innovations so as to further arouse the socialist enthusiasm of the masses.

—We must firmly uphold the ideological line of seeking truth from facts, continuously improve our knowledge of the prevailing conditions in the province, and

firmly carry out the work which we have set our minds on. To ensure the steady development of socialist modernization, we must familiarize ourselves with the scientific world outlook and methodology, and overcome subjectivism and metaphysics. In recent years, important plans formulated by the provincial party committee and government commanded the support of the large number of cadres and masses because of their conformity with the prevailing conditions in the province and the good results they yielded. These included the plans for the development of grain production; the development of agriculture and village and town enterprises; the development of county-level economy; the acceleration of development in the old revolutionary base areas, mountainous areas, and poverty-stricken areas; the promotion of the unified management and coordination of agriculture, science, and education; the elimination of barren hills, the greening campaign in Anhui; the promotion of scientific and technological progress in large and medium-sized key enterprises; and the construction of energy and raw and semifinished material projects. Efforts should be made to further implement these plans. Facts have proven that to prevent onesidedness and extremism, and exercise leadership with foresight and in a scientific manner, we should uphold the ideological line of seeking truth from fact, reach out to the grass roots and actual situation, intensify investigation and study, constantly enhance our knowledge of the prevailing provincial and local conditions, and continue to sum up and popularize our own experiences while learning the experiences of other provinces.

—We must firmly believe in, and depend on, the masses, be self-reliant, and do painstaking pioneering work. This has been the fine tradition of our party, an important magic weapon for us to beat the enemy and overcome difficulties, as well as the motive force for promoting economic development and all development of society. In recent years, mainly because of the strength and intelligence of the masses, we have accomplished the heavy task of construction and reform. Practice shows us that there is great potential of socialist enthusiasm and creativity hidden in the masses. So long as we firmly believe in, and depend on, the masses, we will overcome any difficulties and continually score new victories if we can mobilize and organize the masses, protect their enthusiasm and creativity, and give them correct guidance.

—We must firmly emphasize the importance of party building, and fully concentrate our attention on this work. Many facts have testified that the ethical and moral levels will be high and the development of spiritual and material civilization will be fast, wherever the work on party building is successful. Conversely, the progress of economic development will be slow and everything will be lifeless or void of vitality. On the whole, our party members have the fighting potential; however, we must realize that there are a lot of problems to be solved as far as party building is

concerned. We must be determined to solve these problems, realistically strengthen and improve party leadership, firmly keep in line with the party Central Committee, continually cement the flesh-and-blood relationships between the party and the masses, and fully make use of the political advantage. Only then can we fundamentally guarantee the fulfillment of all tasks. For the work henceforth, we should closely attend to party building as a crucial task. Special efforts should be made to build sound leading bodies of the party at all levels, develop healthy grass-roots organizations of the party, and constantly strengthen the party's fighting power. This way, we will be able to stand any tests without fail.

2. Main Responsibilities in the Next Five Years

We have come into the last decade of this century. According to the party's strategic plan for promoting economic development and accomplishing socialist modernization in three steps, we are taking the second step toward the goal of doubling the gross national product by the end of this century. The next five years will be the crucial period for Anhui's economic development and the development of all undertakings. It will be the period for laying the foundation to achieve the second-step goal. Success in construction and reform in the next five years is of utmost importance to our reinvigoration in the nineties and even to the realization of the long-term goal for the third step. Our goals of struggle are as follows:

- Uphold the party's basic line and relentlessly wage a protracted struggle against bourgeois liberalization as well as maintain the stability and unity of the province in order to create a stable and favorable environment conducive to construction and reform.
- Resolutely fulfill the various tasks of improving the economic environment and rectifying the economic order, and continue to deepen the reform. Efforts must be made to achieve a sustained, steady, and well-balanced economic growth in the whole province over a long period of time.
- Maintain an annual GNP growth of six percent on the premise of improving economic results of the province. Efforts must be made to quadruple the GNP ahead of time and lay a solid foundation for the people to lead a fairly comfortable life by the end of the century.
- Strive to further step up food production so that by 1994, total production will reach 26.75 billion kg, an increase of 2.5 billion kg. Total agricultural output value is to increase annually by 3.5 percent and industrial output value by 8 percent, reaching a total value of 85 billion yuan in industrial and agricultural output by 1994 and aiming for a fivefold increase by the end of the century. The proportion of financial revenue to national income must be increased gradually and a balance between revenue and expenditure must be achieved by all means.

—Priority must be given to the development of education, science, and technology. All-around progress in all fields of social undertakings must be achieved. Strenuous efforts must be made to consolidate and improve ideological and political work and enhance the ideological and moral quality as well as scientific and cultural quality of the people of the province.

—Continue to exercise stringent control over population growth on the one hand and upgrade the quality of the population on the other. The natural growth rate of the population should be kept within state designated target.

Under the leadership of the party Central Committee, we must unite and guide all party members, cadres, and the masses to further carry out the guidelines of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee. We must focus on economic construction, uphold the four cardinal principles, persist in deepening the reform, and opening to the outside world as well as persist in laying equal emphasis on spiritual and material civilization. We must also consolidate the construction of the party and strive to fulfill the objectives for the next five years.

1) Constantly Attending to the Overriding Task of Maintaining Stability of the Overall Situation.

Stability is of the highest interest to our party and state. It is also the prerequisite for us to concentrate our energy and efforts to perform the various tasks well. While the overall situation may generally be deemed to be stable, we must not fail to notice the continued presence of unstable factors. The international hostile forces are intensifying their efforts to carry out their "peaceful evolution" strategy against the socialist countries. This, coupled with the disturbances intermittently emerging in international socialist cause, has put us to a rigorous test. The handful of hostile elements, the various serious criminals as well as those who obstinately uphold bourgeois liberalization in China will not ungrudgingly admit their defeat. The struggle will be long and rather complicated. Our national economy is bound to meet many problems in the course of advance. New problems have also emerged in the course of improving our economic environment and rectifying our economic order. The grave situation of social security, the inequitable distribution in society, and certain corrupt practices that have aroused strong complaints from the masses are still in existence. In the face of all this, we must be armed with a sober and clear understanding of the whole situation. "The past experience, if not forgotten, is a guide for the future." All party members, cadres, and the masses, especially those comrades who are playing the leading role, must thoroughly understand and firmly bear in mind the utmost importance of stability. We must be prepared for any danger and eventuality while living in peace time. Hence, we must spare no efforts to safeguard the stability of the overall situation.

In order to maintain social stability, the most basic things to do are: Uphold the four cardinal principles, the foundation of building the country, and intensively and persistently carry out the struggle against bourgeois liberalization. The thinking of bourgeois liberalization is the root of turmoil. Its real nature is to eliminate the Communist Party's leadership and overthrow the socialist system in China. This is absolutely not permitted. We must firmly uphold the four cardinal principles; take a clear-cut stand in waging a protracted and unwavering struggle against the thinking of bourgeois liberalization and the scheme of "peaceful evolution" by international hostile powers; carry out the work of investigation and screening from beginning to end; continually strengthen our capability to resist bourgeois liberalization and other decadent ideas; and accomplish our tasks well with a firm stand, a firm mind, and a firm socialist direction. In order to stabilize the overall situation, we must stabilize our policies and the economy. All policy measures that prove to be effective and conform to the people's interests and wishes in the course of reform, opening to the outside world, and modernization must be upheld and perfected. Economic stability and development are the foundation for stability and development of society. We must concentrate our efforts on developing the economy, continually improving the masses' living standard so that the stabilized political situation is established on the foundation of a solid economy. In order to stabilize the overall situation, we must also realistically change our attitudes; always care for the masses; work hard to solve their personal problems and specific difficulties; correctly coordinate all related efforts to appropriately handle all social contradictions; promptly discover and strive to eliminate disturbing factors; be prepared to handle problems before they occur and solve them at gestation; and avoid adversely affecting the overall stability due to delays or mistakes at work. We must take effective measures to appropriately solve the existing problems in certain enterprises and social employment problems.

2) Further Economic Improvement, Rectification, and Deepened Reform.

The "CPC Central Committee's Decision on Further Improving the Economic Environment, Rectifying the Economic Environment, and Deepening Reform" adopted by the Fifth Plenary Session of the 13th CPC Central Committee has been an important policy decision. It is of great significance to overcoming current economic difficulties, and to realizing a sustained, steady, and coordinated economic development. Existing economic problems in our province such as imbalance in total demand and supply and unreasonable structure were all accumulated over the years. Since the fourth quarter in 1988, we have taken a series of measures to promote economic improvement and rectification. Although some initial successes have been achieved, these problems cannot be fundamentally eliminated within a short time. Furthermore, in the process of solving the original problems, some new problems

have cropped up. Therefore, while we fully affirm our accomplishments, we must soberly realize the harshness of the current economic circumstances and the necessity and arduousness of further economic improvement and rectification. We must strive to overcome the fear for hardship, pessimism, and idleness; forge ahead despite difficulties and achieve better results in the economic improvement and rectification drive.

Economic improvement and rectification are positive principles for steady economic development. As the emphasis of the state's economic policy is shifted from different regions to different production sectors, prioritizing agricultural and basic industries would further enhance our province's advantages. We must fully comprehend the situation, grab every opportunity, take the actual situation into consideration, and adopt positive measures to further control excessive rise in the size of fixed asset investment and consumer demand. While we gradually resolve the conflict of uneven social distribution, we must, at the same time, positively adjust the economic structure, make concerted efforts to have a firm grip on agriculture, speed up improvement of industrial and investment structure, work hard to augment financial revenue, continue to suppress financial outflow, control size of loans, make timely adjustment of funds, accelerate turnover of funds, remain flexible even in a tight situation, and exercise strict control over level of price increases, giving special attention to maintaining price stability of daily necessities. Vigorous efforts should be made to rectify economic order, especially the order in commodity circulation. We must resolutely and thoroughly screen and reorganize companies, do all we can to open up markets, revitalize circulation, firmly establish a mentality of leading an austere life for a couple of years, affirmatively oppose lavish spending, thoroughly carry out the "double increase, double economy" campaign, and vigorously increase economic returns of all areas. We must strive to basically fulfill the task of economic improvement and rectification by 1991 through sheer hard work, so that our province's economy can get onto the track of sustained, steady, and coordinated development. To ensure the smooth implementation of economic improvement and rectification, all localities, departments, and units must stress party spirit; take the whole situation into account; assert priority of overall interests over localized interests, long-term interests over immediate interests, and national interests over collective or individual interests; resolutely oppose departmentalism and decentralism; take the initiative to share the burden of the country; voluntarily follow the central authorities' measures for exercising macroeconomic regulation and control; and observe all orders and prohibitions.

Economic improvement and rectification certainly does not spell the end of reforms. Reform is a mode by which a socialist system improves itself. To fully actualize the superiority of the socialist system we must resolutely go ahead with reforms. We must tie in closely with reality, continue to explore the extent, scope, and methods of

interaction between the planned economy and the market forces at different times so that we could quickly develop an operating mechanism for a planned socialist commodity economy suitable for our province in order to stimulate economic growth.

In the course of economic improvement and rectification, one focal point of deepened reform is the need to stabilize, fortify, readjust, and improve the reform measures taken in the last few years. The contracted household responsibility system with remuneration linked to output in rural areas is suitable for our province's rural productivity development level. Hence, it should be maintained and constantly improved upon. Enterprises contracted management responsibility system and factory director (manager) responsibility system, too, should be continued. At the same time, it is necessary to properly handle the interrelations between the interests of the state, the enterprise, and the individuals; determine reasonable terms for contracts; make good use of the enterprises' retained profits; avoid shortsightedness in economic activities; gradually develop an effective mechanism for competition and self-restraint; and unceasingly strengthen enterprises' ability for self-development and self-accumulation. It is necessary to properly manage the party-administration relationship within the enterprise. That means we must guarantee factory directors' authority over production and management control while allowing enterprise party organizations to fully exercise leadership over political and ideological matters. We should wholeheartedly rely on the working class; strengthen democratic management; heighten the workers' sense of responsibility as masters of their own affairs; protect their legal rights and entitlements; and fully arouse their enthusiasm, initiative, and creativity so they will work with one heart and one mind to run the enterprise successfully. We must further develop and augment the collective economy in urban areas, tighten control over and provide better guidance to individual and private sector economy, and encourage them to continue to develop under the guidance of state policies.

To deepen reforms, we must revitalize the micro-economy while gradually establishing a sound macroeconomic regulation and control structure. We should earnestly improve the planning system; genuinely reform finance, banking, foreign trade, and goods and materials systems; methodically and steadily promote price reform; and gradually form a macroeconomic regulation and control system that is focused on planned regulation and control and that coordinates the actions of the various economic levers. Attention must be paid to appropriately pool the necessary financial resources, manpower, and materials; persist in maintaining an overall balance; improve management of production; ensure better interdepartmental coordination; and continuously strengthen macroeconomic regulation and control. We must continue to improve comprehensive reforms at the county level, and further develop and augment the economy at this level.

Reform is a long-term pioneering work. We should further liberalize our thinking, earnestly conclude our experience, continue to experiment with reform of the economic system, and actively explore reform measures with our own characteristics. At the same time, we should resolutely and painstakingly implement political reforms under the unified planning of the central authorities.

3) Getting a Firm Grip on the Direction of Economic and Social Development.

We must take account of the present conditions and long-term interests of our province; concentrate our efforts on the strategic goal of economic and social development; strive to make breakthroughs in the agricultural sector; improve the returns of the industrial sector; promote circulation of commodities; develop education in science and technology; be more open to the outside world; and work hard to move the national economy along the path of sustained, stable, and coordinated development.

Making new breakthroughs in agriculture should be made the main strategic task for promoting economic and social development in Anhui Province because they are urgently needed in order for Anhui to make full use of its superiority in natural resources and to invigorate its economy. We must fully realize the extreme importance of improving our agriculture, firmly establish the guiding thought that agriculture is the foundation, and exercise more effective leadership over agriculture. Prefecture and county leaders throughout the province must concentrate greater efforts on promoting agriculture so as to create a new situation in which agricultural development is given due attention and support. In the next five years, we must strive for a marked increase in the comprehensive production capability of agriculture and a steady growth in the production of grain, cotton, oil-bearing crops, and meat. We should basically complete the task of "eliminating the barren hills" so that the rural economy can achieve a balanced development and people from poor regions can be rid of poverty. Per capita net income of peasants all over the province would then be raised to a new level. In order to achieve new breakthroughs in agriculture and fulfill the above-mentioned goals, we must develop the agricultural sector according to the actual situation in Anhui. We must focus on key links and achieve an overall balanced development. We must seriously implement this policy and never relax our efforts in grain production. We must enthusiastically practice a diversified economy and establish fixed areas for the cultivation of major products including grain, cotton, and oil-bearing crops. At the same time, we should expand the multiple crops index, promote intensive farming to bring out the full potential of the agricultural sector, and increase per unit yield. We must continue to vigorously promote activities that help boost agricultural production. Unused, partially used, and low-yielding agricultural resources should be fully developed. Comprehensive efforts should be made to develop the resources on the Huanghe-Huaihe-Haihe

plains, to construct production bases for commodities, and the "shopping basket" projects. We should develop fish-breeding by suiting the measures to the local situation and implement the afforestation project to "eliminate barren hills in five years' time and make Anhui green in eight." Hilly regions should be concerned primarily with afforestation. They should promote the development of a diversified economy, concentrate on developing and making good use of these natural resources, take account of their weak and strong points, develop their strong points by making up for their inadequacies, and make comprehensive efforts to exploit the resources and develop commodity economy. Village and town enterprises are an important component in the national economic development strategy. We must enthusiastically implement the principle of readjustment, overhaul, transformation, and upgrading the economy. We must follow the state industrial policy and the demands of the market, put our emphasis on utilizing our superiority in resources, fully bring out the diffusive function of urban industry in the economy, readjust product and production structure, improve administrative and management style. The pace of technical transformation and training should be quickened. We should also improve the quality of enterprises to make them more competitive in order to obtain a steady and balanced development. We must strengthen the construction of small towns to fully bring out their functions in promoting the development of commodity economy in rural areas. To obtain breakthroughs in agriculture, we should further implement the principles of relying on the policy, on science and technology, and on greater investment. We must continue to deepen rural reform, stabilize and improve all rural economic policies of the party. For the time being, the major task in deepening rural reform is to stabilize and improve the system of contracted household responsibility with remuneration tied to output, and build a healthy, multi-tiered, and multifarious system of socialized services in rural areas so they will gradually complement one another and constantly perfect themselves. Areas with potential should steadily expand farming on a proper scale and develop collective economy of a new type on a voluntary basis as needed for expanding production. This can be done in coordination with the comprehensive agricultural development and social services. We should take firm measures to stop arbitrary exaction of fees from peasants to lighten their burden. We must rely on science and technology to further improve agriculture and strongly encourage coordination and overall planning of agriculture, science, and education. We must organize agriculture, science and technology, education, materials, supply and marketing, and finance departments to cooperate in developing the economy, science and technology, and intellectual resources. We must improve the quality of farm laborers; cultivate technical experts; step up research in agricultural science and technology; fully utilize the scientific and technological results to cultivate and promote better breeds; increase our investment; and improve the construction of infrastructure facilities. Agricultural development funds

should be established at the provincial, city, and county levels and plans should be made to increase investments in agriculture by finance departments at all levels. We should also form a system to pool labor force and capital in rural areas; guide peasants and rural collectives to increase their investments; encourage all trades and professions to assist the agricultural sector; step up the construction of industrial projects in support of agriculture; increase the production and supply of farm equipment and energy for agricultural use; and develop farm mechanization. We must step up the construction of farmland irrigation projects; improve farmland with average and low yields; cultivate farmland that gives high and stable yields despite drought or waterlogging; and concentrate on developing a system of key conservancy projects. While upgrading and renovating the present projects and facilities, we must create favorable conditions for the construction of new projects to ensure sustained agricultural development. We must seriously carry out the job to help the poor in the revolutionary base area of Dabieshan, poor areas, and flood-prone areas along Huaihe; continue to adopt preferential policies and measures toward them; focus on solving their problems of clothing and food; and promote regional comprehensive development guided by science and technology so as to quicken the pace toward prosperity.

The promotion of industrial efficiency is the basic guiding principle for industrial development of the province which must be adhered to over a long period of time. We must resolutely rectify the tendency of laying one-sided stress on pursuing speed of development without proper regard to efficiency and results. We must maintain the unification of speed and efficiency whereby we seek to increase production and speed while enhancing efficiency and results. The focal point of our work in the next five years should be placed on adjusting the economic structure, carrying forward technical progress, and strengthening management of enterprises. The key to increasing efficiency and results lies in readjustment of economic structure. We must properly readjust our production structure, product mix, and organizational structure of our enterprises. Effective measures should be taken in accordance with state industrial policies and the distinguishing features of the natural resources in our province. We must centralize appropriately our financial and material resources and positively seek the support of the state to promote the development of basic industry and infrastructure in the fields of energy, transport, communications, and raw and processed materials. We must speed up tapping natural resources and utilize them comprehensively. We must develop the processing industry for finely processed products in addition to developing a number of significant products in a planned way and build up the strength for sustained economic development. We must adapt ourselves to the demands of overseas and domestic markets and positively readjust our product structure. At

the same time, we must continue to develop new products and accelerate the renewal and upgrading of products. Attention must be paid to the production of primary products, products in support of agriculture, and the daily necessities of the people. We must strive to increase the proportion of salable products, new products, and exchange-earning products, and increase the volume of brandname, outstanding, special, and new products. Keeping in mind our province's future and actual situations, we must develop selectively a number of high-technology products and some pioneering industries to enhance our economic strength and competitiveness. We earnestly must readjust the organizational structure of enterprises by centering around the readjustment of production structure and product mix. We must bring fully into play the role of large and medium state-run enterprises as the backbone. We must develop specialized coordination, promote the integration of enterprises, and encourage the formation of enterprise groups to gradually obtain a synergistic effect. We must persist in starting from a practical basis, develop our strengths and avoid our weaknesses, set up a rational distribution system, and strengthen regional and lateral economic cooperation. Every prefecture and city gradually should build up some priority industries with emphasis on local traits, and develop a host of backbone enterprises and leading products to promote the rationalization of the whole economic structure and the optimized allocation of our natural resources. Scientific and technological advancement is the inexhaustible source for the enhancement of efficiency. The course of industrial development must be based mainly on tapping the potential and transforming the technology. We must speed up the technical transformation of our existing enterprises and determine the direction and focal point of technical transformation of our main industries. This must be properly organized and implemented step by step in a planned way. We must introduce and incorporate whatever technology is suitable and advanced, both domestic and foreign, into our production as soon as possible. We must earnestly draw the proper lessons from our experience. While the emphasis of such incorporation must be placed on new technology, techniques, and materials, we must avoid lack of discrimination and duplication of our efforts. Strengthening of business management is an important approach to the enhancement of efficiency. We must approach it from within and without the enterprises. On the one hand, the enterprise must consciously utilize and bring the market force into play. Internally, we must strengthen our foundation work by cutting down energy consumption, improving quality, increasing the production of salable products, and lowering the cost. This must duly be highlighted and carried out without delay. We must thoroughly launch a socialist labor emulation campaign with the theme of increasing production and revenue and practicing economy. Safety in production should also be ensured. On the other hand, we must exercise macroeconomic control to create a favorable external environment for

the sake of improving the management of our enterprises, thereby further upgrading the standard of business management.

Promoting commodity circulation is essential to the development of a planned commodity economy and to ensure the smooth implementation of social reproduction. We must heighten our consciousness toward commodity economy, skillfully apply the law of value, expand commodity exchange so that commodity circulation will play an active role in promoting production and bring prosperity to the market. While further rectifying order in commodity circulation, we must strive to open up the channels of circulation by adopting a variety of flexible forms of marketing so as to accelerate commodity circulation and increase circulation volume. In particular, we must see to it that our industrial products are made available to the rural areas and that the market is constantly expanding within and without the province. We must earnestly reorganize wholesale chains, establish a storage system for essential commodities, and bring out the role of state-owned commercial establishments as well as supply and marketing cooperatives as major channels and reservoirs. Greater attention must be given to further activating commodity circulation in rural areas and perfecting the purchase and sale system for agricultural products. Proper attention must also be given to the fixed purchase of grain and the planned procurement of cotton. We must persistently widen marketing channels for agricultural products, which are in supply without restrictions; reduce the number of links in the circulation chain; develop rural trade fairs and markets for special product lines; and further encourage peasants' active participation in commodity circulation. We must tighten control over the market and prices as well as improve and perfect the monopoly system for some of the means of production in agriculture and industry. Circulation departments must adopt correct ideas and style of management and strive to improve their service quality.

Developing scientific and technological education, improving technology, and elevating the professional competence of workers are fundamental ways to revive and promote Anhui's economy. We must attach great importance to and vigorously promote the development of science and technology; accelerate the organic combination of science and technology, education, and economy; and conscientiously orient economic development toward reliance on the progress of science and technology and toward the elevation of workers' professional competence. Scientific and technological work should be geared to economic development. We should vigorously develop and popularize applied technology. We should establish and perfect science and technology development centers for different trades and professions as well as science and technology development organizations for large and medium-sized enterprises. This should focus on the technical progress of basic production sectors such as agriculture, energy, transport, and raw and semifinished materials. We should speed up

technical transformation of the traditional industries and turn scientific and technological achievements into practical productive forces as soon as possible. Importance should also be attached to the role of soft science. A scientific approach should be encouraged in making decisions and management. We should pay attention to fully exploiting the superiority of colleges, universities, and academies of scientific research. We should also continue to do a good job in basic research and high-technology development. This will reinforce the staying power for the development of science and technology. Further efforts should be made to coordinate and improve the reform of scientific and technological management system. We should encourage diverse forms of association and coordination between units involved in science and technology and those involved in production; and mobilize and organize the broad masses of scientists and technicians as well as talented people in all fields to give service to economic development. In the final analysis, we must still depend on the improvement of the professional competence of workers and the cultivation of a large number of qualified people in order to develop science and technology, revitalize the economy, and propel the advancement of the whole society. Education is the basis for projects of vital and lasting importance. Therefore, development of education should be rendered a top priority in view of its strategic importance. The party's policy for education must be implemented in an all-around way. Firmly following a correct political direction should always be given first place in education. Political and ideological work should be effectively strengthened in schools at all levels and of all categories. Great efforts should be made to improve the quality of education so that those who have received education can develop morally, intellectually, and physically as well as become well-educated workers with a socialist consciousness. Elementary education should also be practically reinforced and the nine-year compulsory education promoted according to plans step by step. Vocational and technical education should be developed with enthusiasm, adult education of all kinds and at all levels should be improved, and illiteracy should be vigorously wiped out in order to meet the needs of social development. We should constantly attach importance to higher education, stabilize its magnitude, improve its structure, and enhance the ideological education and management; further improve the quality of normal colleges and train more teachers, especially teachers of elementary education and vocational education. Great efforts must be made to cultivate a group of excellent teachers. We should follow the principle of ensuring the coordinated development of education and economy, with education developing faster than the economy; arouse the enthusiasm of all sectors in running schools and increasing investment in education at different levels and through different channels; and continue to take practical and effective measures to improve the conditions of primary and middle schools. We should seriously implement the party's policy towards intellectuals; respect knowledge and talented people; firmly depend on and make the best use of their enthusiasm and

originality; make great efforts to improve their working and living conditions; and guide them, young intellectuals in particular, to study Marxism-Leninism-Mao Zedong Thought, and persistently integrate themselves with social practice and with workers and peasants so as to fully develop their talents.

Opening to the outside world is a strategic measure to develop and rehabilitate Anhui's economy. Based on our current situation, we should more effectively expand our trade, economic, and technological exchanges with foreign countries so that the task of promoting economic relations with the outside world will be pushed to a new level. Based on the needs of international markets and the advantageous conditions of our province, we should vigorously readjust and optimize the structure of export commodities; increase the export of machinery and electrical products and other goods capable of earning more foreign exchange; develop agricultural undertakings with potential of earning foreign exchange; and closely attend to the construction of bases for producing agricultural and sideline products for export as well as the construction of export-oriented industrial and mining enterprises. We should enhance both the quality and usefulness of export commodities. We should continuously consolidate and open up international markets, maintain a sustained and steady growth of export, and gradually increase the proportion of export volume to the total industrial and agricultural output value of our province as well as to the national export volume. We should rationally arrange imports to make better use of foreign exchange while actively expanding exports. We should further improve the investment environment and vigorously attract and make good use of foreign capital. Efforts should be made to speed up the building of primary industries and infrastructure; properly manage the three types of partly and wholly foreign-owned enterprises; develop the three modes of import processing and compensatory trade; and tighten control over the borrowing, use, and repayment of foreign loans. In addition, we should selectively import, absorb, and digest advanced foreign technologies and management experiences and also actively develop industries aimed at substituting imported commodities. We should widely expand economic and technological cooperation with foreign countries, enlarge technological and labor exports, contract more overseas projects, and vigorously develop and promote tourism. We should further intensify the work toward Overseas Chinese and Taiwan; foster friendly relationships with the outside world; and step up scientific, technological, and cultural exchanges.

We should firmly enforce the three basic national policies—family planning, farmland protection, and environmental protection—which are extremely important to wholesome social and economic development at present and to our future generations alike. Anhui Province already had a big population and is now in the third peak period of child-bearing. In order to match population growth with economic and social development, we must strictly enforce existing family planning policies

and regulations so that each and every unit at the grass-roots level will truly implement the task of controlling the increase of population, improve its quality, and bring down the excessive birth rate in rural areas. We should tighten the management of land, protect the farmlands, and strictly control the construction of projects on occupied farmland as the contradiction between increasing population and decreasing acreage of farmland becomes more acute in our province. The ecological environment in the province is worsening. The problems of water pollution and soil erosion are even worse. Effective measures should be taken to seek an overall solution. These efforts should be coordinated with the technological transformation in industrial and mining enterprises, afforestation, soil improvement, construction, and renovation of irrigation projects. Attention should be given to the building of energy projects in rural areas with a view to coordinating population growth with economy and ecology and to simultaneously increasing the economic, social, and environmental benefits.

4) Intensification of the Development of Socialist Spiritual Civilization.

The development of socialist material civilization and the development of socialist spiritual civilization are interdependent and promote each other. We must place equal emphasis on the development of both civilizations and it is wrong to discard either aspect in our guiding thought and actual work. We should further realize the strategic importance of the development of socialist spiritual civilization to the overall socialist modernization program and to the success and failure of socialism; seriously sum up our experiences, and exercise a more effective leadership; rectify the situation where inadequate efforts are made to promote spiritual civilization, a situation not in conformity with the modernization drive; and strive to improve the quality of the masses in matters of ideology, ethics, science, and education.

Ideological and political work has been our fine tradition and political advantage. We should inherit and develop the fine tradition and actively explore and innovate according to the new circumstances so that ideological and political work will be conducted in all aspects of construction and reform. We must uphold the role of political work as the lifeline and continuously reinforce ideological and political work. We should do a better job in ideological and political work by taking into account the situation and tasks of different periods as well as the actual thinking of cadres and masses. This work should be done at different levels and geared to different types of people. Among the people in our province, we should make prolonged and unremitting efforts to conduct education on upholding the four cardinal principles and opposing bourgeois liberalization; conduct education on patriotism, collectivism, and socialism; conduct education on achieving self-reliance and waging hard struggle; and conduct education on revolutionary traditions so as to lift up the spirits of the Chinese nation. For young people especially, we should regularly conduct education

designed to train them into people with "lofty ideals, moral integrity, good education, and a sense of discipline." We must also conduct education in communism for Communist Party members, CYL members, and advanced individuals. Currently, continuous efforts should be made to study and implement the guidelines of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee. This should be regarded as a major task for ideological and political work. We should reinforce vocational ethics and public spirit; continue to extensively carry out the activities in the whole society to learn from Lei Feng and the advanced; forcefully promote sacrificial spirit; and use the examples of advanced models to influence and lead the masses to exert themselves and move ahead, a wholesome practice to be encouraged. We should train competent and energetic ideological and political workers, step up the education and training of political work cadres, and raise their political quality and work ability so as to meet the need of ideological and political work in the new period.

We must adhere to socialist direction when conducting any cultural activities. Ideological and cultural circles should produce more and better spiritual works and resolutely stop the production, import, and circulation of vile products under the guidance of Marxism-Leninism-Mao Zedong Thought and upholding social benefits as the highest standard against which all activities are measured. Mass media such as press, radio, and television, which are the mouthpieces of the party, the government, and the people, should uphold the principle of party spirit, implement the policy of conducting positive propaganda, and follow the correct direction for public opinions. They should play their positive role in preserving overall stability and ensuring progress in construction and reform. They should adhere to the direction of serving the people and socialism, implementing the policy of "let a hundred flowers blossom and a hundred schools of thought contend," develop the national culture, step up social science research, encourage literary and art creation, protect and develop culture and art with the local characteristics of Anhui, publish healthy and beneficial books, and provide the people with more high-quality, rich, and colorful spiritual nourishment. Meanwhile, continued efforts should be made to ensure the success of the "antipornography" campaign. It is necessary to actively carry out popular sports activities and strive to increase competitive sports skills. We should effectively improve medical and health conditions; implement the policy of "combining prevention and a cure with emphasis on prevention;" do a good job of prevention and cures of epidemic, contagious, and endemic diseases; and constantly raise the people's health standard. We should continue to carry out the activities of promoting civility in cities and towns throughout the province so that society's general mood can be further improved. We should consolidate and spread the achievements scored in the activities to promote civility in cities and towns, bring to a new high activities like the civilized city competition for the nine cities under provincial jurisdiction, and the competition

to establish civilized counties and towns. Furthermore, continued efforts should be made to carry out joint Army-civilian activities to establish spiritual civilization; build civilized villages, units, and apartments; and encourage families to distinguish themselves in five aspects. This will give urban and rural areas a face-lift. When launching the abovementioned activities, we must persist in taking actual conditions into account; do practical work; seek realistic results; refrain from waste and extravagance; and guard against formalism. We should pay full attention to the development of spiritual civilization in rural areas; and place emphasis on breaking with old customs, practicing strict economy, eradicating old rules, and uncivilized habits that are silly and backward; and cultivating civilized and healthy customs and habits for the people. Effective measures should be taken to ensure success in this area. The whole society should care for the old people's lives, children's healthy growth, and the livelihood of the handicapped. It should also protect the legal rights and interests of women and children, and promote and develop traditional virtues like loving the young, respecting the old, and getting gratification from helping others. We should continue to launch campaigns throughout the province to develop a good social order, render high-quality services, and create a wholesome environment. The people of the whole province will then take on a new spiritual look and add new splendor to the landscape of Anhui.

5) Actively Promote Building of Socialist Democracy and Legal System.

Building a highly developed socialist democracy and a perfect socialist legal system is an important objective of our socialist modernization drive. It is also a common desire of the party and the people. Development of democracy and a legal system must follow the direction and path of socialism and proceed in a guided and orderly manner.

The People's Congress system is China's fundamental political system. It must be upheld and further improved. We must constantly deepen our understanding of the nature, position, and functions of the People's Congress and its Standing Committee; strengthen the party's leadership over the work of the People's Congress; and support the People's Congress in properly exercising supervision over laws and the work in all fields. People's congresses at all levels and their standing committees should actively do their work and fully execute their function as the local organ of state power under the leadership of the party committee and in accordance with the authority granted them by law. Party members, who are deputies of the People's Congress or members of its Standing Committee, must actively implement the decisions of the party committee; reflect the desire of the masses; take the lead in doing things in accordance with the law; and proficiently discharge job responsibilities. We must foster a closer rapport between people's congresses at all levels and the masses so that the People's Congress can better represent

the people and accept their supervision. We must also place importance on the building of grass-roots governments and organizations so as to ensure that all laws, principles, and policies of the party and the state are truly implemented down to the grass-roots level.

The system of multiparty cooperation and political consultation is a fundamental political system of China. "Long-term coexistence, mutual supervision, treating each other with all sincerity, and sharing each other's weal or woe" are the basic principles of our party's cooperation with other democratic parties and groups. We must deepen our understanding; achieve unity in our thoughts; earnestly implement the "Guidelines Proposed by the CPC Central Committee for Upholding and Improving the System of Multiparty Cooperation and Political Consultation Under the Leadership of the CPC"; strengthen and improve the party's leadership over other democratic parties and groups; and promote cooperation and consultation with them. It is necessary to ensure that members of democratic parties and groups as well as people without party affiliation constitute a certain percentage of deputies of the People's Congress, members of its Standing Committee and special committees, members of the Chinese People's Political Consultative Conference [CPPCC] Standing Committee and leading members of the CPPCC. Members of democratic parties and groups and people without party affiliation should also be recommended for leading posts in governments and judicial organs at all levels so that democratic parties and groups will fully play their role in managing state affairs and exercising supervision. They also will make joint efforts to achieve the objectives of socialist modernization and reunification of the motherland. The CPPCC is an important platform for all parties and groups, people's organizations, and representatives of all circles to coordinate their efforts and manage and discuss state affairs. We must actively implement the CPC Central Committee's "guidelines" as well as the temporary provisions on political consultation and democratic supervision adopted by the national and the provincial CPPCC Committees. By upholding the four cardinal principles, we should promote democracy; make possible the free airing of views; and strengthen political consultation and democratic supervision on crucial matters pertaining to major political principles, important regional affairs, implementation of policies, livelihood of the masses, and the united front. Relevant departments must earnestly study and handle their opinions. Communist Party members in the CPPCC must play the role model in carrying out the party's united front policy. Through their actions, they should ensure the party's leadership over political principles, direction, and important policies of the united front. They should effectively enhance unity and cooperation with democratic parties and groups, and patriotic personages without party affiliation.

Trade unions, the CYL, women's federations, and other mass organizations are the party's means of communicating with the masses and important social support for

state power. Party committees at all levels must conscientiously implement the "Circular of the CPC Central Committee on Ways To Consolidate and Improve the Party's Leadership Over the Work of Trade Unions, the CYL, and the Women's Federations," with a view towards strengthening the idea of wholeheartedly relying on the working class and the masses. They should pay serious attention to the work of trade unions, the CYL, and the women's federation, and encourage them to work independently according to the laws and the articles of association. This will then enable them to effectively carry out their functions in ideological and political education, and participate in and exercise supervision over state and social affairs management in a democratic manner. We must strengthen the party's leadership over nationalities affairs, implement the policies toward nationalities, and strengthen and improve unity among all nationalities.

Socialist democracy and a legal system are inseparable. A sound and efficient legal system is the prerequisite to the enjoyment of full democracy by the people. We must earnestly implement the laws and regulations, which have been promulgated and are in effect, while making continued efforts to strengthen local legislation and strictly abide by the law in general and administrative affairs. We must continue to promote education and propaganda to spread democracy and legal knowledge among the people so as to heighten their sense of democracy and legal system. This should be carried out extensively and thoroughly throughout the province, with the Constitution as the core. Party cadres at all levels and the vast number of party members must strictly abide by this stipulation of the party Constitution. They should be the forerunner in studying and understanding the laws. They should abide by the Constitution and laws, and play the model role in observing the laws and discipline. We must uphold the party's control over the Armed Forces and step up political work for the People's Armed Forces and the work on militia and reserve forces. We must extensively educate the people on national defense; foster intimate ties between the Army, the people, and the government; and support national defense construction. We must strengthen the party's leadership over law enforcement, effectively build a contingent of law enforcement officials, and improve their quality. We must support and supervise the justice departments in exercising their authority according to the law so that "all laws are observed and strictly enforced, and lawbreakers are not allowed to go unpunished." In the early stage of socialism, class struggle will remain to a certain extent for a long period of time. Sometimes it may become very fierce. We must exercise greater dictatorship over hostile and antisocialist elements; make unremitting efforts to improve social order and implement the comprehensive measures accordingly; follow the principle of dealing "serious and swift" blows at felons and severely punish economic criminals. We must thoroughly struggle against corruption, bribery, speculation, and profiteering; and resolutely lash out at and prohibit social maladies such as

prostitution; the production, sale, and advertising of pornographic materials; kidnapping women and children; illegal planting of poppy flowers; abuse and trafficking of drugs; gambling; and swindling and harming others through feudal superstition. We must strive for a better social order year after year so as to create a favorable social environment for construction and reform.

3. Strengthen Party Leadership and Party Building

Strengthening of party leadership is the primary guarantee for success in all our endeavors. At any time and under any circumstances, it is imperative to unfailingly uphold the party's leadership and resolutely defend the party's leadership authority. Currently, China is faced with the arduous tasks of promoting socialist modernization, reform, and opening to the outside world, and the international communist movement is faced with a complicated situation. This has presented new challenges to our party and has placed heavier historical responsibility on it. Under such circumstances, upholding and strengthening party leadership is of special importance. We must be able to realistically size up the situation, maintain our sobriety, and commit ourselves firmly to communist ideology. Regardless of the difficulties ahead and the changes in international politics, we must unwaveringly hold high the banner of the four cardinal principles, further enhance our awareness as a ruling party, constantly increase our ability to govern, fully bring out the central and leading role of all aspects of national and social life. We must firmly prevent and resist any inclination to weaken or desert party leadership. We should not have the slightest ambiguity and suspicion on this fundamental issue.

To strengthen party leadership, we must first do a good job of party building. We must affirm that the mainstream of party organizations at all levels and the party members in the province is good. Without the party organizations at all levels acting as the core of the politics and without the numerous party members playing their role as vanguards and models, it would be impossible to achieve the great success in reform and opening to the outside world as well as in the various fields of socialist construction in 10 years. Nonetheless, we must all be aware of the many problems that exist in the party: Some party members' communist belief has waned and they no longer firmly subscribe to the four cardinal principles; some have over bloated individualism, abusing authority to serve selfish interest, seek fame and fortune, and lead a decadent lifestyle; some are extremely bureaucratic, distance themselves from the people, prefer an easy life, and are not doing their jobs adequately; some show acute liberalism, totally disregard party discipline, and ignore orders and prohibitions imposed; while others pursue factionalism, appointing people by favoritism, and creating disunity. An extremely few of them have even degenerated into hostile and corrupt elements. To strengthen party leadership, it is imperative for us to seriously resolve problems that exist within the party and conscientiously intensify building of the party itself.

To perk up party building, we must follow the standards and requirements for the vanguard of the working class, and build the party into a powerful core which is theoretically more mature, ideologically more unified, politically stronger, and internally more united; which maintains closer ties with the masses; and which is more capable of leading the people to build socialism with Chinese characteristics. This is the basic guiding philosophy for party building at present. We must strictly follow this guiding philosophy; adhere to the party's basic line; concentrate our efforts on party building; heighten the party's overall fighting power; fully exploit our political advantages; and more effectively shoulder the historic responsibility of leading and uniting the people of the whole province in promoting Anhui's socialist modernization.

Consolidation of party members' education is an important link in fundamentally uplifting party members' quality, and this task must be placed in a prominent position in building the party. According to Marxist theory on party building, a party which is not equipped with an advanced theory will not possibly be an advanced party; a party member who is not armed with an advanced theory will not be able to play the role of an advanced fighter; and one who refuses to equip his mind with an advanced theory will be devoid of party spirit and is not qualified to be a vanguard of the working class. In light of the demand of the new situation and the actual conditions of the rank and file party members, we must thoroughly and systematically carry out, among all party members, education on basic theory of Marxism-Leninism-Mao Zedong Thought as well as on the party's basic line and fundamental knowledge. To study the basic theory of Marxism-Leninism-Mao Zedong Thought, the principal task at present is to study philosophy. We must improve our ability to analyze and solve problems by applying the stand, the viewpoints, and the methods based on dialectical materialism and historical materialism. Comrade Deng Xiaoping has presented a series of observations and theories based on the integration of Marxism-Leninism with the actual situation in China, especially the basic theory relating to building socialism with Chinese characteristics. This is a sequel of Mao Zedong Thought under the new historical circumstances. It should be treated as a significant part of education on the basic theory of Marxism-Leninism-Mao Zedong Thought and must be studied earnestly. Education in party spirit must pervade the entire course of party members' education so as to constantly reinforce party spirit among the vast numbers of party members. Leading cadres at all levels, particularly those at and above the county level shouldering important responsibilities, should take the lead to study with greater efforts and better results. We must rectify the attitude of some comrades who have immersed themselves in specific matters and slackened in their study and research of theories. Effective measures must be taken to continuously promote the interest of vast numbers of party members in theories and arouse their enthusiasm in studying such theories. From now on,

up-and-coming members of leading groups should generally go through training in party schools at the corresponding levels. Leading cadres of party committees, the governments as well as large and medium-sized enterprises and establishments at and above the county level must intensify their study during their spare time and persist in studying in central study groups. At the same time, during their term of office, they should be released at least once from their regular work duties to participate in a systematic training course. As far as possible, they should leave their posts temporarily every year to undergo training in rotation. We must maintain the good style of study by integrating theory with practice and earnestly improve the method of education for party members in order to closely integrate study with practice and with the transformation of world outlook. We must have a definite object in view and lay stress on practical results. Party schools at all levels, including sparetime party schools at the grass roots, are an important front for launching the education of party members. We must strengthen the leadership over these schools and further manage them properly.

The key to party building is that the leadership at all levels must be held by those who are loyal to Marxism and serve people wholeheartedly. The efforts to build up leading bodies at all levels must be made constantly. The party's principle of training a contingent of cadres who are revolutionary, young, well-educated, and professional is a scientific and complete principle. It is a concrete expression of the principle of training cadres with both ability and political integrity under new circumstances. Therefore, this principle must be carried out correctly in an all-around way. Revolutionary spirit must be given first place while selecting, cultivating, and appointing cadres. Their political standpoint, ideological quality, leadership skills, and performance at work must be taken into account fully. The prerequisites for cadres are that they must have the ability and political integrity, be faithful to Marxism, loyal to the cause of the party and the people. We should improve the work of selecting and appointing cadres, uphold the principle of exercising the party's authority over cadres, appoint people on their merits, adhere to the mass line, and select people "from all corners of the country" if they are qualified. We should further cultivate young cadres, boldly promote the elite among them to the leading positions at various levels. Meanwhile, we should also allow those key senior party members over 50 years of age to play their roles fully, so that coordination and alternation of junior and senior cadres will take place normally. The whole structure of leading bodies should be further improved paying more attention to the selection and appointment of cadres from among women, minority nationalities, and non-Communist party members. The practice of interchanging leading cadres is an important measure to improve the building of leading bodies. It should be done systematically and according to plans on the basis of relative stability of leading bodies. The cadres effacement system [gan bu hui bi zhi du 1626 6752 0932 6699 0455 1653] should be seriously carried out. Party cadres

at all levels are servants of the people, and should always feel at ease working at high or low positions. They must unconditionally obey the arrangements made for them by the party. Great attention must be paid to improving the unity within the leading body. Members of leading bodies at all levels must take the whole situation into account at all times, and put the interests of the party and the people first. While upholding the principles, they should show respect, modesty, support, and assistance for one another; set good examples in safeguarding unity; resolutely struggle against all remarks and actions which are harmful to unity. Democratic centralism is the party's basic organizational principle, and should be strictly implemented by party organizations at all levels. We must strictly conform with the party Central Committee in ideology, politics, and actions; persist in obeying the unified guidance of the party; seriously carry out the party's resolutions; and strictly observe the party's political discipline. We must adhere to and maintain the principle of combining collective leadership with individual responsibility. All important matters must be discussed, and decisions made collectively. Before a decision is made, it is necessary to show democracy by listening to all opinions. The practice of "what I say goes" should never be allowed. After the decision is made, there should be a division of labor and each person should take his responsibility and implement the decision resolutely. Nobody is allowed to depart from the collective decision and go his own way. Veteran cadres are the valuable wealth of the party and the state. We should learn from them humbly, use their rich experiences and wisdom, let them play their parts, and truly solve the difficulties and problems in their lives. Veteran cadres should continue to take the lead in promoting party's fine traditions, and make new contributions to the cause of the party through their exemplary actions.

The building of grass-roots party organizations is an important foundation work for party building. Therefore we must persevere in doing a good job of it. Grass-roots party organizations play a very important role in exercising the party's leadership over the activities of the nation and society. The party's line, principles, and policies are implemented through grass-roots organizations' effective actions, and the opinions and voices of the people are also channeled upward through them. The people's perception of the party's image is usually established by first looking at the performance of the party's grass-roots organizations and members. As such, starting from the provincial party committee, party committees at all levels should devote their entire energy to building of grass-roots party organizations. The key to strengthening grass-roots organizations lies in first establishing a good party branch. It is of vital importance to have a good party branch secretary. Relative stability is to be maintained among grass-roots leading bodies. In the meantime, special efforts should be made to promptly rectify the weak, paralyzed, and semi-paralyzed grass-roots organizations in order to help expedite a change in image. Grass-roots party organizations in enterprises,

rural areas, schools, government departments, neighborhoods, and so on should pay attention to improving the methods of leadership and activities so they will act more like a political nucleus and a fighting bastion. We must also do a good job in recruiting new party members, and effectively implement the principle of maintaining high standards, ensuring quality, improving structure, and exercising care in recruitment work. We must emphasize the training and recruitment of frontline production workers, peasants, and the elites among the intellectuals. Special attention must be paid to recruiting party members from among industrial workers. We should sternly correct the erroneous tendency of looking down upon party work and degrading the functions of cadres in charge of party affairs. Training and selection of party affairs cadres should be improved in order to cultivate a contingent of party affairs cadres who have a high level of consciousness, and are strong in party spirit, well-versed in party affairs, and willing to make selfless sacrifice. The party's grass-roots cadres shoulder a very heavy and complex task and always become the focus of various conflicts. Party organizations at the next higher level must support and guide them in their work, beef up their training, appreciate their predicament, and try as far as possible to create good working environment and conditions for them.

The question of party style is a matter of life and death for the party. We must inherit and further promote the fine party style and firmly eliminate corruption. The fine work styles that our party has developed in its long-term revolutionary practice reflect its fundamental political characteristics. These work styles include linking theory with practice, fostering close relationships with the masses, conducting criticism and self-criticism, maintaining self-reliance, as well as waging hard struggle. The inheritance and further promotion of these fine work styles should be taken as an important task in improving the party's work style which should be closely attended to. To improve party style, we must persist in dealing strictly with party members, resolutely punish corrupt elements, and make it a long-term campaign to oppose corruption. We must constantly take effective measures to solve problems that have aroused strong complaints from the masses and that may substantially harm the body of our party. We must seriously investigate and handle cases of violation of laws and discipline, particularly cases involving the abuse of power for personal advantage, bribery and corruption, speculation and profiteering, extravagance and waste of public fund and properties as well as serious neglect and dereliction of duty. Whoever is involved in these offenses will be thoroughly investigated and seriously dealt with and no indulgence and cover-up whatsoever will be allowed. The relatively outstanding problems that currently prevail in certain localities and units are the failure to adhere to regulations and slackness in enforcing discipline. Resolute efforts should be made to rectify these problems. We must establish a sound mechanism of supervision with a view to intensifying supervision within the party while encouraging society, the masses,

the media, and democratic parties and groups to exercise supervision. Party organizations at all levels should strictly organize their activities and actively wage ideological struggle by conducting criticism and self-criticism, mutual criticism in particular, which have proved very effective. Leading cadres must set good examples in this area. We should continue to do a good job in making democratic assessment of party members, commend outstanding party members, and appropriately handle unqualified party members. These should gradually become regular and well-organized activities. Building a clean administration represents an important feature in the development of fine party style. In this respect, we should seriously review the work of the various localities and departments in recent years, and continue to adopt measures and systems which have proved to be effective and favored by the masses, such as the system of publicizing the procedures and the outcome of handling official business. In addition, certain new measures must be taken and new regulations formulated as dictated by the needs of the situation. We must solidly preserve the solemnity of the regulations and firmly enforce them without exception. Honesty of leading organs and leading cadres at all levels exerts a great influence on the overall development of party style. We must start with leading organs and leading cadres by setting stricter demands for them. Higher authorities should set good examples and leading cadres must be the first to do whatever is expected of their subordinates.

Concentrating the strength of the masses, and persistently applying this strength among the masses is the fundamental line of work for our party. It must be thoroughly executed with full conviction at all times. Our party has developed by fostering close ties with the masses and fighting together with them. To wholeheartedly serve the people is our party's fundamental goal. Striking deep root among the people is the source of strength and the foundation of victory for our party. We must keep in mind that all activities of our party are for the sake of the people's interests. We must build up the materialist concept of history that the masses are the decisive force propelling historical advancement. We must form the good habit of firmly trusting the masses, closely relying on the masses, being responsible to the masses in all matters, and sincerely learning from the masses. We must constantly reinforce and develop the flesh-and-blood relationship between the party and the masses, and make full use of the masses' strength and wisdom. Leading organs and cadres at all levels, as well as all the organs directly under the provincial, prefectural, city, and county jurisdiction must seriously improve their styles and methods of work. They must overcome the undesirable practices like bureaucracy and commandism, and simplify meetings and documents. They must regularly reach out to the grass roots and the masses in reality so as to fully understand the actual circumstances, publicize and explain the party's guiding principles and policies, and help to solve the practical difficulties and problems. They must forcefully develop the spirit of self-reliance and waging hard struggle, share

weal and woe with the masses, and lead them through the tough times. Office cadres at and above the county level should go down to the grass roots to conduct investigations and studies, work at selected grass-roots units to help improve the work there and gain firsthand experience for guiding overall work, hold full-time or concurrent posts there, and participate in manual work. These effective measures and means of communicating with the masses and tempering the cadres should be closely combined with the daily routine work of the public organs, so that the two will be mutually complementary and a well-established system developed accordingly. Based on the different characteristics and actual situation at different localities and departments, we must specifically set the schedules for leading cadres to go down to the grass roots each year. Ordinary cadres also should regularly take turns to work at grass-roots units. We should further facilitate supervision by the masses, do a better job in handling petitions and visits by the masses, and encourage crime reporting, so that cadres at all levels will be subjected to effective supervision by the masses.

Currently, a general atmosphere is being formed in which the whole party is engaged in party building. There are more favorable conditions for strengthening party building. Party organizations at all levels should constantly enhance their awareness that "the party should manage its own affairs," give priority to party building, constantly analyze the conditions of the party, and seriously formulate the plans for strengthening party building, which are to be implemented one by one. Secretaries of party committees at all levels, in particular, must regard party building as their own topmost responsibility. In order to guarantee that party building advances along the right track and to constantly raise the efficiency of party building, we must strengthen study on the theory and practice of party building. The doctrines on party building of Marxism-Leninism-Mao Zedong Thought, including a series of important guiding thoughts on party building in new era by Comrade Deng Xiaoping and other veteran revolutionaries, are the guidebooks for us to strengthen the study on party building. They should be seriously studied and deeply understood. In light of the characteristics of the new situation, we must take account of the actual work on party building and the thinking of party members, and emphasize the study and solution of existing outstanding problems. Special efforts should be made to guide the large number of party members to correctly recognize and handle the relationships between the spirit of selfless sacrifice and the principle of material benefits, between the spirit of deriving gratification from helping others and the principle of competition on equal footing, and between the spirit of putting the interests of others ahead of oneself and the principle of becoming the first to get rich through hard work. We should prevent such principles of commodity economy as exchange at equal value from infiltrating into the party's political life. Forming a contingent of Marxist theoreticians on party building is urgently needed for reinforcing the study on party

building. We should organize, without delay, comrades who have a good command of Marxist theories and are familiar with the realities of party building, and concentrate on the research on party building. Party schools, newspapers, and journals at all levels also should make full use of their own favorable conditions so as to play their appropriate roles in reinforcing the study of party building.

Comrades, the task for the next five years will be honorable and arduous. In our march ahead, there are difficulties and challenges, as well as hopes and opportunities. Under the leadership of the party Central Committee represented by Comrade Jiang Zemin as the core, and together with the party members and the masses of the whole province, let us lift up our spirits, work with one heart and one mind, exert ourselves to bring national prosperity, forge ahead with a pioneering spirit so as to write a new chapter on accomplishing socialist modernization in Anhui.

1,200 Criminals Arrested in Quanzhou, Fujian

HK3005143390. Zhou Fujian Provincial Service in Mandarin 1000 GMT 29 May 90

[Excerpt] Over the past few months, party and government leaders at all levels in Quanzhou City have conscientiously implemented the decision of the CPC Central Committee on forging closer ties between the CPC and the people and effectively carried out a struggle against crimes.

Between March and April, Quanzhou City arrested more than 1,200 criminals.

Leaders of Quanzhou City have also frequently gone to the grass-roots level to help people solve problems and overcome difficulties.

Quanzhou City has also stepped up investigations into major and serious cases and launched a struggle aimed at eliminating corruption. So far, some 316 companies in Quanzhou City have been abolished, thus basically putting an end to the malpractice of party and government cadres holding concurrent posts in various types of companies. Quanzhou City has also investigated and disciplined cadres who have built private houses for themselves by abusing power. [passage omitted]

Shandong Province CPPCC Meeting Ends 25 May

SK2905050790 Jinan Shandong Provincial Service in Mandarin 2200 GMT 25 May 90

[Text] The 11th meeting of the Sixth Shandong Provincial Chinese People's Political Consultative Conference [CPPCC] Standing Committee concluded in the Nanjiao Guesthouse of Jinan City on the afternoon of 25 May.

Li Zichao, chairman of the provincial CPPCC Committee, addressed the meeting on the afternoon of 25 May. In his speech, he stressed that efforts should be made to display the greatest enthusiasm in continuously

and successfully studying, publicizing, and implementing the decision made at the Sixth Plenary Session of the 13th CPC Central Committee and the opinions of the provincial party committee on implementing the decision; and to truly turn the decision into the conscious action of the broad masses of cadres and people. We should uphold the characteristics of CPPCC work to enhance the propaganda and education of patriotism, to help party committees and governments do a good job in conducting the work among intellectuals, to put the strength of various circles under the banner of socialism and patriotism, and to resolutely follow the CPC in advancing along the socialist road. Efforts should be made to deeply carry out investigation and study and to actively bring into play the role of democratic supervision. The CPPCC organizations at all levels should extensively carry out social investigation and relay in a timely manner the people's feeling and opinions to party committees and governments to promote the implementation of the decision of the CPC Central Committee and the opinions of the provincial party committee on realizing the decision.

During the meeting, the participating members approved the resolution on studying and implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee and the decision on the appointment of additional deputy secretary general of the provincial CPPCC Committee and of vice chairmen of the special committees under the provincial CPPCC Committee.

Lu Maozeng, vice chairman of the provincial CPPCC Committee, presided over the meeting on the afternoon of 25 May. Attending the meeting were vice chairmen of the provincial CPPCC Committee, including Zhou Zhenxing, Ding Fanming, Jin Baozhen, Yang Da, Wu Fuheng, Wu Minggang, Wang Zuneng, Su Yingheng, and Miao Yongming.

Shandong Effectively Controls Population Growth

HK3005135390 Beijing RENMIN RIBAO in Chinese 28 May 90 p 1

["Dispatch" by reporter Jia Jianzhou (6328 1696 5297): "Shandong Province Effectively Controls Population Growth"]

[Text] Jinan, 27 May (RENMIN RIBAO)—Through the adoption of the target control responsibility system for population control at every administrative level in Shandong Province, the population growth rate in this province declined slightly for two consecutive years in the birth peak period. Not only was material production successfully increased and the economy developed; but good results were also achieved in lowering the birth rate. According to a sample survey, the province's birth rate in 1989 was lowered to 1.688 percent from the figure of 2.355 percent in 1987; and the natural population growth rate was lowered to 1.118 percent from the 1987 figure of 1.628 percent.

The provincial party committee and provincial government in Shandong decided in 1988 to adopt the guiding principle of assessing the results of economic construction with the concept of "per capita quantity." In 1989, the provincial party committee and the provincial government again made the "Decision on Intensifying Birth Control." The provincial government also published the major per capita economic indicators of all counties, and this prompted leading cadres at all levels to pay more attention to the economic significance of the population. They thus had a stronger sense of the per capita figures.

In November 1988, the provincial governor signed "contracts on the responsibility target for population control in 1989" with 15 city mayors and prefectural magistrates. After that, responsibility targets for population control were fixed at every administrative level, and the heavy burden of restraining population growth was thus shared by governments and leaders at all levels. According to the survey, "population control target contracts" were signed by 100 percent of cities, prefectures, counties, townships, and towns and were also concluded by 96 percent of administrative villages with the townships they were subordinate to. The responsibility contracts explicitly stipulated that city and prefectural leaders (including principal leaders and department leaders in charge) who could fulfill the population control targets would be commended by the provincial government; and those who failed to fulfill the responsibility target would be criticized or even penalized. Such awards and penalties would still be valid even if the responsible leaders were transferred to other posts. Those who seriously neglected their duties in this regard would be demoted.

Not long ago, the provincial party committee and the provincial government conferred the glorious title of "advanced units in fulfilling the population control target" on seven cities which achieved remarkable results in honoring their population control target responsibility contracts.

Southwest Region

Deng Pufang Inspects Guizhou Province

HK3005143790 Guiyang Guizhou Provincial Service
in Mandarin 2200 GMT 29 May 90

[Text] Deng Pufang, chairman of the China Disabled Persons' Federation, recently paid a special visit to our province to see how the disabled live and work in our province. He held discussion meetings with leading comrades of the provincial party committee and government on problems concerning further development of the disabled undertakings of our province.

During his inspection in our province, Deng Pufang visited some factories for the welfare of the disabled in Guiyang, Zunyi, and Anshun, social welfare facilities for the disabled, recovery centers for the disabled and some

families of the disabled, and listened to some reports on work of civil administrations departments.

Provincial party and government leaders Liu Zhengwei, Wang Chaowen, Zhang Shukui, and Zhang Yuqin as well as (Yang Zhengxu), chairman of the provincial disabled federation gave to Deng Pufang an account of the relevant situation in our province and held discussion meetings with him on further development of the disabled undertakings.

At the discussion meetings, Deng Pufang pointed out: The disabled are a group of people who are in extreme difficulty in the whole society. Their lives and working conditions should be correspondingly improved while the economic conditions of the whole society are constantly developing. He hoped all quarters of society will give their helping hands to the disabled, respecting and caring for them and creating good life and working conditions for them so that they will be able to fully enjoy the warmth of socialist community. At the same time, the disabled themselves should continue to develop the spirit of proper pride, looking out for themselves and making unremitting efforts to improve themselves, improve their social stance and life conditions through their own hard work and make their due contributions to a stable society and economic development.

Gyaincain Norbu Elected Government Chairman

OW3105092990 Beijing XINHUA Domestic Service
in Chinese 0802 GMT 31 May 90

[Text] Lhasa, 31 May (XINHUA)—The third session of the fifth Tibet Autonomous Regional People's Congress today elected Gyaincain Norbu, former [yuan 0626] deputy secretary of the Tibet autonomous regional party committee, new chairman of the people's government of the Tibet Autonomous Region.

Doje Cering, former chairman of the people's government of the Tibet Autonomous Region, cannot continue his work in Tibet because of health reasons. The session has accepted his request to resign.

At the third session of the fifth Tibet Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC], which was convened earlier, Wang Hailin [3769 3189 2651] was elected the new vice chairman of that autonomous region's CPPCC Committee.

Tibet People's Congress Presidium Meets

OW3105012190 Lhasa Tibet Television Network
in Mandarin 1200 GMT 24 May 90

[Text] [Video begins with closeups of the PRC insignia hanging on the wall of a conference room, zooming out to medium shots of seven officials sitting at the head table at the far end of the room, under the insignia] The second meeting of the Presidium of the Third Session of the Fifth Tibet Autonomous Regional People's Congress took place this afternoon. The meeting was chaired by

Sengqen Lozong Gyaincain, executive chairman of the presidium. Pagbalha Geleg Namgyai, Hu Jintao, Raidi, Pudoje, Lang Jie, Jangzhong Zhaxi Doje, Wang Guangxi, and Hu Songjie, executive chairmen and members of the presidium, were present. Ma Lisheng, vice chairman of the Tibet Autonomous Regional People's Government, attended the meeting as an observer. [Video shows closeup, medium shots of leaders as their names are announced]

Attendees heard the views of various delegations on their examination of Chairman Doje Cering's government work report. They approved the draft decision of the fifth regional People's Congress on the establishment of special committees.

[Video slowly pans the conference room to show group shots of the attendees] The draft decision points out: For the sake of promoting democracy and law and improving the People's Congress system; based on Article 25 of the PRC Organic Law governing the establishment of local people's congresses and people's governments, which prescribes the establishment of special committees under the people's congresses of provinces, autonomous regions, municipalities directly under the central government, autonomous prefectures, and cities with districts; and in accordance with Tibet's actual situation and needs, it has been decided that a legislative affairs committee, a financial and economic affairs committee, and a committee for nationalities affairs, science, education, culture, and public health be established under the fifth Tibet Autonomous Regional People's Congress; that offices shall be established under all special committees to handle their daily routine; and that each of these special committees shall be staffed by several people, including a chairman, vice chairmen, and members.

The meeting approved the draft namelists of people nominated to fill the posts of these special committees.

The meeting also approved the draft decision accepting Comrade Deje Cering's resignation from the chairmanship of the regional people's government.

According to procedures, the draft decisions and the draft namelists approved at the meeting will be submitted to the plenary session of the regional People's Congress for examination and approval.

Forty-one of the 46 presidium members were present at today's meeting, forming a quorum. [Video ends with wideangle shots of the conference room and medium closeups of officials seated at the head table and tables nearby]

Leaders at Meeting of Deputies, CPPCC Members

OW3105002490 Lhasa Tibet Television Network
in Mandarin 1200 GMT 24 May 90

[Text] [Video begins with medium closeups of Raidi talking while Hu Jintao and other Tibet leaders sit listening to him at an informal meeting, then cuts to

closeups of a smiling Hu Jintao, Raidi, Ma Lisheng, and other Tibet leaders] Some deputies and members from various prefectures and cities attending the third session of the fifth Tibet Regional People's Congress and the Third Session of the regional Chinese People's Political Consultative Conference [CPPCC] Committee were invited to attend a forum sponsored by the Tibet autonomous regional party committee on the afternoon of 23 May.

Present at the forum were Hu Jintao, secretary of the regional party committee; Raidi, deputy secretary of the regional party committee and chairman of the Tibet Regional CPPCC Committee; Ma Lisheng, member of the regional party committee Standing Committee and vice chairman of the Tibet Regional People's Government; and Puqun, vice chairman of the regional people's government.

Also present at the forum were Zheng Ying, vice chairman of the regional CPPCC Committee and head of the United Front Department of the regional party committee; and (Chi Lai), executive deputy head of the department. [Video shows individual closeups and medium shots of these officials as their names are read by the announcer]

Comrade Raidi chaired the meeting.

Speaking one after another, the deputies from various prefectures and cities spoke highly of the regional party committee and the regional government for their success in stabilizing the situation, in improving the economic environment and order, in deepening reform, and in promoting economic construction by enlisting the support of people and patriots of all nationalities in Tibet to repudiate interference and work hard to stabilize Tibet's situation in accordance with the guidelines of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee, the important instructions of the CPC Central Committee, and the principle that efforts should be made to promote Tibet's stability and economic construction in concert.

The attendees presented their well-intentioned criticism and constructive proposals to the regional party committee and regional people's government. [Video shows unidentified officials talking, and pans room to show group shots of the attendees]

[Video shows closeup, medium shots of Hu Jintao talking, interrupted briefly by medium closeup shots of attendees elsewhere in the room] Secretary Hu Jintao humbly listened to the representatives' views and repeatedly expressed his sincere intent to accept their views, saying that the regional party committee would improve its work according to the constructive views.

Secretary Hu Jintao said: The development of the party's nationalities, religious, and united front affairs has been

sound, thanks to the steady social and economic development in Tibet. The party's policies governing nationalities, religious, and united front affairs are being implemented fully. The regional party committee has further improved the system of democratic consultations and cooperation between party and nonparty personnel by acting promptly in accordance with the important instructions of the CPC Central Committee, reiterating that the party's nationalities, religious, and united front policies will remain unchanged, and underscoring the importance of nationalities, religious, and united front affairs.

Citing the performance in 10 areas, Secretary Hu Jintao elaborated on how the regional party committee has been correctly implementing the party policies concerning nationalities, religion, and united front affairs.

North Region

'Thousands' of Overseas Tourists Visit Beijing

OW3005135290 Beijing XINHUA in English
1140 GMT 30 May 90

[Text] Beijing, May 30 (XINHUA)—Thousands of overseas tourists have visited Beijing since the beginning of spring in early March.

The large numbers of foreign tourists have caused a shortage of tour guides.

Lu Shaolin, a tour guide from the Beijing Branch of the China Travel Service, complained that he worked an average 25 days a month in April and May.

The travel agency received 13,967 overseas travelers in the first four months quarter, about 33.5 percent more than in the same period last year.

The swarm of tourists has strained Beijing's tourist facilities, which have become the target of veiled criticism in recent years.

According to officials from the Beijing municipal tourism administration, the occupancy rates of Beijing hotels have been at 90 percent or more for the past few months.

The occupancy rate of the Taiwan Hotel was 32 percent on May 24, the first day of its soft opening.

Bo Xicheng, director of the Beijing municipal tourism administration, attributed the tourist rush to the stable social situation and Beijing's many historical sites.

Bo expects more foreign tourists in Beijing later this year. He said more than 150,000 foreign visitors are expected for the 11th Asian Games.

Bo is confident more than one million foreign travelers will visit Beijing this year.

He said the key to further developing Beijing's tourism industry is to clean up the industry, control prices and improve service.

Inner Mongolia Builds Commodity Grain Bases

HK3005145790 Beijing RENMIN RIBAO in Chinese
28 May 90 p 2

["Dispatch" by reporter Ao Teng (0277 7506): "Construction of Commodity Grain Bases in Full Swing in Inner Mongolia"]

[Text] Hohhot, 27 May (RENMIN RIBAO)—It was learned recently that the Inner Mongolia animal husbandry bases renowned for the production of meat, eggs, milk, fur, and wool will also be developed into the state's major commodity grain bases.

There are not only vast prairies and grazing land in Inner Mongolia, but also large areas of fertile land for producing grain. Therefore, with the support of the state, Inner Mongolia is now working intensively to build six large-scale commodity grain bases with agriculture as the backbone projects. A total of 1.748 billion yuan will be invested in these projects.

The comprehensive project of developing the irrigated farming area in the Hetao area with a loan offered by the World Bank was started in 1989, and the total investment in this project amounted to 506 million yuan. The irrigation and drainage facilities built in this project will be available to 3.15 million mu of fields in this area. After the whole project is completed by 1997, the effectively irrigated and drained area will be increased from 2.4 million mu at present to 3.15 million mu. Then, a new-type commodity grain production base with a harmonious ecological environment will take shape, and there agriculture, animal husbandry, and forestry will all develop in a well-balanced way. It is expected that grain output in this base will be increased by 205,200 tons. The base will also supply large quantities of meat, eggs, milk, and cooking oil for society.

The agricultural development project in the four eastern leagues of Inner Mongolia was also started last year with a total investment of 330 million yuan. In this project, 5.77 million mu of low-yield and medium-yield farmland will be transformed; 300,000 mu of new arable land will be reclaimed; and 300,000 mu of shelter-forests for protecting the fields will be planted. After the entire project is completed in 1991, the grain output in this production base will be increased to 588,000 tons, and the agricultural output value will be raised to 384 million yuan. Other projects under construction include the key water conservancy project in Taihekou, the consolidation project of the Hongshan Reservoir, and the Charsen Reservoir project, which will be completed in 1991 or 1992 and will then begin to yield economic returns. These projects will turn nearly 10 million mu of fields in the middle and lower valleys of the Liao He and the valleys of the Nen Jiang into irrigated fields, and the drainage conditions will also be improved.

Northwest Region

Xinjiang's Song Hanliang Urges Rural Stability

*HK3005155090 Urumqi Xinjiang Regional Service
in Mandarin 1130 GMT 30 May 90*

[Text] According to XINJIANG RIBAO, on 24 May regional party committee secretary Song Hanliang, who is now inspecting southern Xinjiang, delivered an important speech on drawing the lessons from the counterrevolutionary armed rebellion in (Baling) Township, having a better understanding of the situation, and doing better work in keeping the rural areas stable. He made the speech at a three-level cadre conference in Kashi Prefecture.

Song Hanliang pointed out: Following the outbreak of the counterrevolutionary armed rebellion in (Baling) Township, the ruthless class struggle has sobered us up and made us understand that we should in no way lose our vigilance or lower our guard in keeping the countryside stable. We should deepen our understanding of properly keeping the countryside stable from the high plane of guiding ideology.

Song Hanliang continued: Our party and government leaders at different levels should attach great importance to and strengthen rural work and leaders at the county and township levels should particularly take keeping the countryside stable as their most important task. We should adopt vigorous measures and take the initiative in eliminating all hidden dangers in the bud, solve problems before they become aggravated, and foil all enemy plots to stir up turmoil and rebellion so that their reactionary schemes will not succeed. Meanwhile, we should take all kinds of precautions and implement them with tangible results. We should also adopt effective measures to strengthen controls over religious activities and religious places in accordance with state laws and regulations and the party's policies. We should protect the rights of citizens to believe, or not believe, in any religion, as offered by the state Constitution. No one is allowed to compel people who do not believe in any religion to experience religion or to force people who do not participate in religious activities to take part in them. Particularly juveniles under the age of 18 are not allowed

to experience religion, become monks, or chant sutras in monasteries. No one is allowed to make use of religion to interfere with publicity and education in Marxism-Leninism-Mao Zedong Thought, nor to interfere in the state's administration, justice, education, marriage, family planning, culture, and public health. No previously abolished religious and feudal privileges and oppression and exploitation systems should be revived. All activities of making use of religious places to oppose the party and socialism, split national reunification, and disrupt national unity are strictly prohibited. All acts of splitting national reunification and disrupting national unity in the guise of religion should be thoroughly exposed and resolutely cracked down upon.

Song Hanliang pointed out: We should adopt effective measures to strengthen the building of spiritual civilization in the countryside and consolidate the socialist ideological and cultural positions in rural areas. Cultural fighters, newspapers, and radio in the countryside should give wide publicity to Marxism-Leninism-Mao Zedong Thought and the party's principles and policies and resolve to solve the problem of providing newspapers and radio to peasants. They should particularly adopt firm measures to establish the radio rediffusion network as quickly as possible so that the broad masses of peasants can listen to the voice of the party on time and know the party's principles and policies. We must be fully aware that if the proletariat does not occupy the rural positions, then bourgeoisie certainly will. We should adopt measures in an all-around way to resist the corrosive influence of all kinds of feudal and decadent ideas and the influence of religious ideas so that Marxism-Leninism-Mao Zedong Thought will occupy the rural position. We should continue to strengthen primary party organizations and the building of grass-roots state power and make ceaseless efforts to strengthen and raise the fighting capacity of primary party organizations, and grass-roots state power, so that they will be able to meet the needs of the present struggles and tasks.

Song Hanliang called on cadres at the county and township levels, and leading cadres in particular, to: play an exemplary role in grasping keeping the countryside stable; take a firm and clear-cut stand in the struggle to maintain national reunification, cement national unity, and oppose national splittism; and set an example in all fields in the face of complicated struggles.

Kuomintang Troops Shoot at Fishing Boats

HK3105055890 Beijing ZHONGGUO XINWEN SHE
in Chinese 0721 GMT 30 May 90

["Incidents of Kuomintang Troops Shooting at and Towing Away Fishing Boats Along the Coast of Fujian Province Occur Over and Over Again"—ZHONGGUO XINWEN SHE headline]

[Text] Zhangzhou, 30 May (ZHONGGUO XINWEN SHE)—Since late April of this year, incidents of Kuomintang [KMT] troops stationed on islands such as Jinmen and Penghu shooting at or towing away fishing vessels along the coast of Fujian Province have occurred over and over again. The authorities concerned revealed that six fishing vessels from the coast of Zhangzhou have been shot at or towed away in four such incidents. One man has been killed, one heavily wounded, and serious losses in fishing instruments have been incurred.

On 28 April, fishing vessel "Min Zhao No. 2271" from Hongzhou Village, Qiaodong Township, Zhaoan County, Zhangzhou City, which carried eight fishermen led by skipper Shen Chishui, was shot at by KMT troops stationed on Jinmen Island during a fishing trip in the vicinity. Shen Yanping, a member of the crew, sustained a heavy chest injury. Two days later, when fishing vessel "Min Zhao No. 2226" from the same village arrived at a location one km off Jinmen Island, it was shot at by KMT troops even before it began its fishing operation. Shen Qinkun, a 26-year-old crew member was shot in the head. The ten crew members on board the vessel wanted to take Shen Qinkun to the hospital on Jinmen Island for emergency treatment, but the troops stationed in that area fired shots to drive them away. It was only after representations that the troops agreed to let the crew take the victim to the island. Shen Qinkun died on 7 May because he did not receive prompt treatment. Also on 30 April, Trawler No. 1107 of Jinyu Island, Gangwei Town, Longhai County, Zhangzhou City was fishing a few nautical miles off Penghu Island when it was forcibly towed away by a KMT gunboat. The 16 crew members on board were detained for seven days by the garrisoned troops and were only released on 8 May.

On the morning of 12 May, fishermen Yang Meixiang, Yang Muying, and Yang Shunzong of Jiangkou Village, Chihu Town, Zhangpu County, Zhangzhou City went in three fishing vessels to catch shrimp in the sea to the south of Dongding Island. The KMT troops stationed on the island fired more than 100 rounds of ammunition to

drive away the three fishing vessels. Although there were no casualties, a total of more than 100 shrimp-catching instruments was lost.

Deng Yingchao Sends Greetings to General Chang

OW3005110790 Beijing XINHUA in English
1019 GMT 30 May 90

[Text] Beijing May 30 (XINHUA)—Deng Yingchao, widow of the late Premier Zhou Enlai, today sent a telegram to General Chang Hsueh-liang in Taipei [Taipei] to congratulate his 90th birthday.

In the telegram, Deng Yingchao praised General Chang for helping bring about the cooperation between the Chinese Communist Party and the Kuomintang 54 years ago.

Chang, then commander of the Kuomintang northeast armies, was a leader of the 1936 Xian Incident, in which Chiang Kai-shek was detained and then allowed to return to Nanjing after Chiang agreed to cease the fight against the communists. That marked the start of an all-round resistance against Japanese invasion.

Deng's late husband Zhou Enlai led a delegation of the Chinese Communist Party to Xian after the Xian Incident and helped bring about a peaceful settlement of the incident.

Deng Yingchao, also former chairman of the National Committee of the Chinese People's Political Consultative Conference, said that the general had taken the action out of his concern for the national destiny when China was facing intensified foreign invasion.

She said that after he was taken to Taiwan, General Chang had been long treated unfairly. He had won respects for taking the country to his heart rather than seeking fame and wealth.

She said her late husband always spoke of General Chang as an hero in Chinese history. She quoted him as saying that General Chang's special contribution to modern China would always be remembered by the Chinese people.

She said that fortunately, exchanges between the two sides of the Taiwan Strait had increased in recent years and the realization of the great cause of uniting and invigorating China, for which General Chang had struggled and made sacrifices, would not be far away.

She said at the end of the telegram that she and her friends wished General Chang a good health and hoped to meet him again.

Reportage on Cabinet Changes, Confirmations

Yuan Confirms Hau's Nomination

OW3005114190 Taipei CNA in English 1506 GMT
29 May 90

[Text] Taipei, May 29 (CNA)—The Legislative Yuan of the Republic of China voted Tuesday to confirm Hau Pei-tsun's nomination as the country's next premier.

In spite of the opposition politicians' "delaying tactics," the voting took place in the afternoon, with Hao winning 186 out of 213 valid votes. The 81.58 percent vote officially confirmed the nomination.

President Li quickly issued a decree approving Li Huan's resignation from the premiership and officially appointing Hao to replace Li Huan.

A solemn-looking Hao pledged that he would actively serve the people with "forward-looking planning" in order not to disappoint them.

The new premier called on "all the people, in the ruling and opposition camps alike, to unite under the leadership of President Li Teng-hui" and work together to ensure a bright future for the country.

KMT Endorses New Cabinet 30 May

OW3005114790 Taipei CNA in English 1057 GMT
30 May 90

[Text] Taipei, May 30 (CNA)—The Kuomintang's [KMT] Central Standing Committee Wednesday endorsed the new cabinet headed by Hau Pei-tsun.

The following is the new line-up after the cabinet reshuffle.

- Premier: Hau Pei-tsun (former defense minister)
- Vice Premier: Shih Chi-yang (retained)
- Secretary-General: Wang Chao-ming (retained)
- Interior Minister: Hsu Shui-teh (retained)
- Foreign Minister: Fredrick Chien (former Council for Economic Planning and Development chairman)
- Defense Minister: Chen Li-an (former economics minister)
- Finance Minister: Wang Chien-shien (former vice economics minister)
- Education Minister: Mao Kao-wen (retained)
- Justice Minister: Lu Yu-wen (retained)
- Economics Minister: Vincent Siew (former KMT Department of Organization Affairs director)
- Communications Minister: Clement Chang (retained)
- Mongolian and Tibetan Affairs Commission Chairman: Wu Hua-peng (retained)
- Overseas Chinese Affairs Commission Chairman: Tseng Kwang-shun (retained)
- National Health Administration Director General: Chang Po-ya (legislator-independent)
- Council for Economic Planning and Development Chairman: Shirley Kuo (former finance minister)
- Atomic Energy Council Chairman: Hsu Yi-yun

—Taiwan Governor: Lien Chan (former foreign minister)

—Taipei Mayor: Huang Ta-chou (acting)

—Kaohsiung Mayor: Wu Tun-yi

Former Taipei Mayor Wu Po-hsiung was named minister without portfolio. Other ministers without portfolio included Huang Kun-hei, Kuo Nan-hung, Chang Chien-han and Huang Hsi-cheng (independent).

Li Teng-hui on Cabinet Reshuffle

OW3005172290 Taipei CNA in English 1602 GMT
30 May 90

[Text] Taipei, May 30 (CNA)—President Li Teng-hui Wednesday announced a major cabinet reshuffle in which a civilian was appointed defense minister and two independent politicians were included in the new government.

The president issued his decree a day after the Legislative Yuan confirmed his nomination of Defense Minister Hau Pei-tsun as the Republic of China's [ROC] new premier. Hau, will replace Li Huan, who took office only a year ago.

The new premier, who will assume the post Friday, said in a statement that his government would work strenuously to usher in a new era for the nation and society.

The government's top priority is to promote unity, Hau said in the statement issued after the decision-making Central Standing Committee of the ruling Kuomintang approved the new cabinet line-up.

The presence of the two independent politicians in the government suggested a new Kuomintang nonpartisan personnel policy.

The shake-up in the higher echelon of the government leadership saw the introduction of 13 new faces, including several members of the current cabinet who were assigned to new posts. The ministers will take office on Friday and Saturday.

Twenty-two other cabinet members and the heads of major cabinet-level agencies were retained.

One of the familiar new face in the new cabinet was Economics Minister Chen Li-an, who will fill the Defense Ministry vacancy left by Hau Pei-tsun, the new premier.

Chen's position will be occupied by Vincent Siew, director of the ruling party's Department of Organization Affairs. Siew had been deputy chairman of the Council for Economic Planning and Development and director general of the Board of Foreign Trade before shifting to party work late last year.

Foreign Minister Lien Chan was appointed governor of Taiwan Province; the ministry will now be led by Fredrick Chien, chairman of the Council for Economic Planning and Development. Chien had been vice foreign

minister and ROC representative to Washington before assuming his current post two years ago.

The Council for Economic Planning and Development will be led by former Finance Minister Mrs. Shirley Kuo; Kuo's position will be filled by former Vice Economics Minister Wang Chien-shien, who had just retired from the government in early May.

Other new ministerial faces include Taipei Mayor Wu Po-hsiung and former Changhua County Magistrate Huang Shih-cheng, an independent. They were both appointed cabinet ministers without portfolio.

Further, independent Legislator Mrs. Chang Poh-ya was appointed director general of the National Health Administration and nuclear energy expert Hsu Yi-yun was assigned to head the Atomic Energy Council.

As to the heads of major local governments directly under cabinet jurisdiction, Foreign Minister Lien Chan will replace Chiu Chuang-huan as Taiwan governor, Secretary General Huang Ta-chou of the Taipei city government serves as acting Taipei mayor and Wu Tun-yi, director of the Kuomintang Taipei Committee, was appointed mayor of the southern Taiwan port city of Kaohsiung.

KMT Approves Partial Reshuffle

OW3105035690 Taipei CNA in English 0325 GMT
31 May 90

[Text] Taipei, May 31 (CNA)—The Kuomintang [KMT] Central Standing Committee at its weekly meeting Wednesday approved party Chairman Li Teng-hui's recommendations that Chen Chin-jiang be appointed director of the KMT Central Committee's Department of Organization Affairs; Wu Shui-yun, chief of Secretariat of the KMT Central Committee; and Chien Han-sheng, chairman of the KMT Taipei City Committee.

Chen, 55, of Taipei County, Taiwan was a member of the KMT Central Committee and former deputy chief of the KMT Department of Organization Affairs. He will fill the vacancy left by Vincent C. Siew who has been named economics minister.

Wu, 60, of Hualien, Taiwan will replace Chen, and Chien, 44, of Kuming, Yunnan and deputy director of KMT's Department of Overseas Affairs, will take the post left by Wu Tun-yi, newly appointed Kaohsiung mayor.

New Premier Hau Outlines Cabinet Priorities

OW3005172490 Taipei CNA in English 1605 GMT
30 May 90

[Text] Taipei, May 30 (CNA)—Newly appointed Premier Hau Pei-tsun said Wednesday that the restoration of social order to provide a safe and sound environment for financial and economic activities was one of the cabinet's top priorities.

In an interview with a local magazine, EXCELLENCE, Hau pointed out that his cabinet would also begin construction as soon as possible on several important projects whose further delay by pollution-conscious protesters would certainly affect the Republic of China's overall economic development.

Another priority of the cabinet, he added, would be to eliminate illegal financial and economic activities.

In restoring social order, it would be necessary for the government to enforce the rule of law and strengthen public authority. It was also necessary for both the ruling and the opposition parties to have a consensus that no political confrontation would be allowed to cause social disorder, he said.

New Cabinet Members Stress Action Policy

OW3105035890 Taipei CNA in English 0316 GMT
31 May 90

[Text] Taipei, May 31 (CNA)—The new cabinet members in charge of the Republic of China's economic and financial affairs repeated Wednesday much talked about policy goals but emphasized that they would be "can do" ministers.

Vincent Siew, the new economics minister, said his priority would be to restore industry "confidence, ambition and social conscience."

"Much remains to be done to beef up industry's confidence, an important step being to remove obstacles to domestic investment so that industrialists will be willing to keep their 'roots' here," Siew said.

The foremost "difficulty," he thought, was the opposition of local people and environment conservationists to the building of the nation's fifth naphtha cracking plant in Kaohsiung.

"I hope to remove this and other barriers to the country's major construction projects," he said while meeting new Finance Minister Wang Chien-shien.

The business sector had made great contributions to the country's development in the past, and now the government should further stimulate their ambition so they can continue to build on their past glories, he said.

Industrialists should also provide feedback to society so that harmony and stability could prevail, he continued. "Therefore, I will also encourage them to develop an 'industrial conscience.'"

As to growing outward-bound investment, the economics official said it was natural for business to move operations abroad when labor-intensive and high pollution industries face increasing difficulties domestically.

On surging China mainland investment, Siew called for "caution" because more than economic factors should be taken into account when making such decisions. "We must also consider the political risks," he said.

Wang Chien-shien, who resigned in May as vice economics minister because of declining government authority, said he took government job again because he was moved by Premier Hau Pei-tsun's determination to serve the country.

He told reporters that his first job as finance minister would be to "stabilize financial order," especially the wild stock market.

Pledging to make the local bourse "a popular investment channel," Wang urged stock investors to gain a better understanding of market operations.

The nation's 4 million share holders should "learn to hold shares, and not keep thinking about stock prices," he advised.

Since his ministry oversees the nation's taxation system, its government bonds and stock market, "I will do my best to help them stimulate economic development," he said.

Siew and Wang said they would work together closely to help upgrade the country's industrial structure and to improve the investment environment.

Siew earlier served as director general of the Board of Foreign Trade while Wang was vice economics minister. Their close "business cooperation" is expected to grow even closer in the coming days.

Protests Over Confirmation of Premier Hau

OW3105050590 Taipei International Service in English 0200 GMT 30 May 90

[Text] Large groups of angry demonstrators protested and rioted outside the Legislative Yuan on Tuesday. They protested the confirmation proceedings of premier-nominee Hau Pei-tsun. The demonstrators were protesting that a military man should not be confirmed as premier. Large numbers of riot police were sent to the area to maintain order but violence broke out. A large number of police, demonstrators, and by-standers were injured in the melee. Demonstrators fought with police and threw balloons filled with paint. In addition, they accosted private cars in the area breaking windows. In the early afternoon, the demonstrators went to the nearby Lai Lai Sheraton Hotel, where they forced their way in the door and threw furniture and plants and sprayed slogans on the walls and floor. The police fought [words indistinct] with water cannon. As of press time, the rioting which is the worst that Taipei has seen in several years, was still going on.

Activities Planned To Commemorate Tiananmen

OW3105051090 Taipei CNA in English 0322 GMT 31 May 90

[Text] Taipei, May 31 (CNA)—Petition signing, bazaars, a candlelight memorial service and other activities will be held here on June 3 to commemorate the first

anniversary of the slaughter of prodemocracy demonstrators in Tienanmen Square, Peking.

Sixty-four civilian groups have been organizing the commemorative activities so people can extend help to their mainland compatriots in their struggle for freedom and democracy.

Proceeds from the bazaars to be held at Chiang Kai-shek Memorial Hall Plaza and elsewhere will be forwarded to prodemocracy dissident organizations in exile abroad, the organizers said.

A hotline will be set up in that evening so participants can talk with Chai Ling, Yan Jiaqi, Wuer Kaixi, Wan Runnan and other leading democracy activists who are currently living abroad, they said.

The organizers called on the public to donate money and to volunteer their services to ensure the success of the day's mass rally and other activities.

Ministry Assesses Soviet Trade Potential

OW2905085690 Taipei CNA in English 1513 GMT 28 May 90

[Text] Taipei, May 28 (CNA)—Trade between the Republic of China [ROC] and the Soviet Union is likely grow as long as economic and trade relations across the Taiwan Straits develop positively.

An analysis of current Soviet economic reforms prepared by the Economics Ministry said that ROC strengths in light industries and daily necessities will complement Soviet strength in heavy industry and raw materials. There is thus great room for the two nations to develop bilateral trade and economic ties.

Even though the ROC lifted its ban on direct trade and investment with the Soviet Union, Soviet authorities have not yet responded positively to the ROC action. This is chiefly because Moscow is still very sensitive to criticism from the Peking regime, according to the analysis.

Therefore ROC-USSR trade ties depend heavily on the the future of trade relations across the two sides of Taiwan Straits. Breakthroughs in one will lead to breakthroughs in the other, said the analysis.

The report recommended that the government nevertheless try to establish economic and trade footholds in the Soviet Union so as to collect information on Soviet markets and China mainland activities in the USSR, to develop Russian language capabilities and to resolve finance, communications, visa, and navigation problems.

Banking Connections Improving With Japan

OW2905091690 Taipei CNA in English 1122 GMT
28 May 90

[Text] Taipei, May 28 (CNA)—Four major Taiwan banks are seeking to set up branch offices in Japan, and a dozen of their Japanese counterparts are in a rush to enter Taiwan, indicating a trend toward better financial relations between the Republic of China [ROC] on Taiwan and Japan.

The First Commercial Bank (FCB), Hua Nan Commercial Bank Ltd. (HNCB), Chang Hwa Commercial Bank (CHCB), and the City Bank of Taipei (CBOT) are all striving to open branch offices in Tokyo, reported the mass circulation ECONOMIC DAILY NEWS here.

Financial relations between Taiwan and Japan have been rather limited. The International Commercial Bank of China is the only Taiwan bank with branch offices in Japan, while the Dai-Ichi Kangyo Bank has been the only Japanese bank with a branch office in Taipei over the past 30 years.

The Japanese Government had been reluctant until recently to allow its banks and securities firms to establish links in Taiwan in fear of irritating the Peking regime, local analysis said.

But growing frustration over the lack of progress in developing banking relations with Mainland China, as well as the improvement of trade and economic ties across the Taiwan Straits, has prompted the Japanese Government and banks to turn toward Taiwan local financial experts said.

As a result, Japan has started to ease previous restrictions on financial institutions setting up offices in Taipei. It has recently given an unprecedented go-ahead to the Bank of Tokyo (BOT) to open a representative office in Taipei.

At the same time, the ROC Government is pleased to see financial relations with Japan beginning to thaw. It hopes that the improvement will bring about better political and economic ties as well, analysts said.

The FCB, HNCB, and CHCB of Taiwan have sent senior executives to Japan, starting early this year, to explore various channels to contact Japanese finance authorities in the hope of opening offices in Tokyo, informed sources revealed. The CBOT has also been paving the way to enter the Japanese market, sources noted.

A senior executive with CHB said it was necessary to set up footholds in Japan since bilateral trade relations have grown stronger and trade volume has been rising over the years.

No less enthusiastic than their Taiwan counterparts, at least eight Japanese banks are expected to follow the BOT's lead by the end of the year, while still more are on

their way to enter the Taiwan finance circle in the upcoming year, according to the ASIAN WALL STREET JOURNAL.

One senior executive with a foreign bank here said "Japan has finally come to realize where the real potential is."

BOFT Urges Japan To Cut Trade Surplus

OW2705001290 Taipei CNA in English 0256 GMT
26 May 90

[Text] Taipei, May 26 (CNA)—The Board of Foreign Trade [BOFT] called Friday on Japan to help improve the increasing trade imbalance with the Republic of China [ROC].

A BOFT official said that Japan should not maintain a standoff attitude toward the ROC as official consultation channels between the ROC and Japan were badly needed.

The official pointed out that since the ROC suspended diplomatic ties with Japan in 1972, all major economic and trade problems between the two countries used to be discussed through such mechanisms as ROC-Japan Economic and Trade Conference and the East Asian Economic Conference. But because Japan always sent low-ranking officials to the meetings, they had not been very fruitful.

He noted that the ROC is able to discuss thorny economic and trade problems with the United States even though the two countries do not maintain diplomatic ties. The trade talks have been productive in helping improve trade imbalance between the ROC and the United States.

In contrast, the ROC was Japan's major export market and the trade imbalance in Japan's favor was continuing to widen year by year; the Japanese Government, however, seemed to be indifferent to this problem, he said.

He urged Japan to set up an official communications channel to prevent damaging trade disputes from occurring.

East German Journalists To Visit Taiwan

OW3105005090 Taipei CNA in English 1452 GMT
30 May 90

[Text] Bonn, May 30 (CNA)—A group of four East German journalists are scheduled to visit the Republic of China on June 4-11.

The four journalists are Klaus Wilczyski of the BERLINER ZEITUNG, Frau Barbel Miller of the LEIPZIGER VOLKSZEITUNG, Dietmar Rietz of the NEUES DEUTSCHLAND, and Frank Mangelsdorf of DER MORGEN.

This is the first journalist group from East Germany to visit the Republic of China on Taiwan. Before last

November, there had been very little coverage about Taiwan by East German media. The media in East Germany has become increasingly interested in Taiwan, the economic development in particular.

Taiwan, Guinea-Bissau Establish Ties

*OW2605162390 Taipei CNA in English 1554 GMT
26 May 90*

[Text] Taipei, May 26 (CNA)—The Republic of China and the Republic of Guinea-Bissau established full diplomatic relations Saturday.

Foreign Minister Lien Chan and Guinea Bissau Foreign Minister Julio Semedo of the Western African country signed a joint communique in Taipei on the establishment of diplomatic ties Saturday.

"The Republic of China and the Republic of Guinea-Bissau, based on principles of international law, particularly the principles of equality and mutual respect for national sovereignty, have decided to establish full diplomatic relations from May 26, 1990, to strengthen friendship and cooperative relations between the two countries," the communique said.

The two governments also agreed to set up an embassy in each other's capital, Taipei and Bissau, at an opportune date, according to the communique.

Guinea-Bissau, formerly a Portuguese colony, became an independent country in 1973. Occupying an area of 36,125 square kilometers, the Western African country has a population of about 1 million. Its main exports include aluminum, pineapples, bananas and coffee.

Guinea-Bissau is the 28th country having diplomatic ties with the Republic of China.

Hong Kong

Guangdong Releases Five Detained Seamen

HK3105020190 Hong Kong HONGKONG STANDARD
in English 31 May 90 p 1

[By Marcal Joanelho, S.Y. Yue, and Yusuf Karamdin]

[Text] China yesterday freed five seamen alleged to have been abducted at gunpoint from Hong Kong waters during a Marine Police anti-smuggling operation early this month.

The five were freed after a five-hour meeting of the border liaison group, its first meeting since the May 3 incident and subsequent political row.

The five are tug-boat skipper Pang Kam-wah, 45; his first-mate, Chan Kam-mui 44; lighter-owner, Chan Hung, 60; his son, Wing-bor; and sailor Wong Kuen-hung, 22.

Guangdong authorities and the Hong Kong Government issued a joint statement confirming the five had been released, along with two vessels detained by mainland officials.

The statement said: "In response to the Hong Kong side's suggestion, border liaison officials from both Hong Kong and Guangdong held a meeting in Shenzhen today about the case of the Hong Kong smuggling vessel which happened on May 3.

"At the meeting, both sides gave their own account of the sequence of events and held consultations on how to resolve the case.

"The Guangdong side agreed to release the arrested men and the boats and stated that the smuggled cars had been confiscated in accordance with the relevant Chinese laws.

"At the meeting, both sides exchanged views on improving co-operation and measures to curb smuggling between Guangdong and Hong Kong.

"Both sides stressed that on the basis of previous friendly co-operation, further liaison would help to curb smuggling activities and contribute to the peace and good order of the Hong Kong-Guangdong border."

A government official stressed there had been no compromise on the facts of the issue.

But a senior Chinese official said last night that both sides agreed on a consensus that the incident did not happen in Hong Kong waters and that Chinese security officials were not involved.

The fact of the incident were the centre of the political row between the Hong Kong branch of the XINHUA NEWS AGENCY and the administration's Political Adviser's Office.

Hong Kong maintained that the hired tug-boat and the lighter along with the five crewmen and two undercover policemen were abducted at gunpoint by uniformed Chinese officers from Tap Shek Kok, in Hong Kong waters, to Shekou.

But XINHUA insisted that Hong Kong distorted the facts and labelled the five seamen as smugglers.

"We put to the Chinese our position and they put to us their position in terms of the laws of China," said the government officer. "We are happy that the situation is resolved."

But the government official said there was no compromise.

"Our intention was to ensure the recovery of the five guys, to have them home with their families, together with the two vessels."

The Chinese side still insisted the case was one of smuggling.

"But we have the two policemen and the five crewmen. Who is doing the smuggling?" the official asked. "Our side? I don't think so. Our guys have come back.

"We have been able to agree with the Chinese side a joint statement, that is very important.

"We exchanged views, our different assessment of the situation and as a result, the Chinese side agreed to release the five seamen and the vessel."

Referring to the three stolen Mercedes-Benz on board the two vessels, a government spokesman said: "The principal objective of the border liaison meeting was to secure the release of the five innocent crewmen. That has been achieved.

"We made it clear to the Chinese side our wish for the stolen cars to be returned also. The Chinese position was as set out in the joint statement."

The meeting, from 10 am to 3 pm, was attended by deputy political adviser Stephen Bradley, principal assistant secretary for security Ian Wotherspoon, superintendent Peter Cummings and a border liaison officer.

It is understood the free seamen were interviewed by police before being reunited with their families.

A marine police officer said: "We have already done our part. These people are free now."

Macao**Macao XINHUA Branch Welcomes New Director**

OW3105020390 Beijing XINHUA in English
0044 GMT 31 May 90

[Text] Macao, May 31 (XINHUA)—The Macao branch of XINHUA NEWS AGENCY held a reception here yesterday to welcome its newly-appointed director Guo Dongpo and bid farewell to its former director Zhou Ding.

More than 800 people including local governmental officials attended the reception.

Both Guo and Zhou expressed the wish that the close cooperation between the Chinese and Portuguese governments would develop. They also urged local people to contribute more to a stable and prosperous Macao.

Guo said that his predecessor had done many fruitful works in solving important and urgent tasks faced by Macao during the transition period. He pledged to make in-depth investigation into local affairs and contribute his efforts to realize the smooth transfer.

Before taking his new post, Guo was vice-president of the China Council for the Promotion of International Trade (CCPIT).

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